

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

FEBRUARY 1944



A Letter from Australia (Pages 38-39)

Bank Leaders in War Loan Drive

"KNOW-HOW"

makes such a difference

Things go a lot more smoothly
and safely in *any* field of activ-
ity when someone has the
essential "Know-how."



IN FIELD WAREHOUSING, particularly, an experienced representative with *continuing personal interest* in a transaction from beginning to end can safeguard the banker and customer, and offer suggestions that will save time, worry and cash.

Douglas-Guardian men are reared in this tradition; the most valuable contribution they make is often counsel and experience, for which the charge is...nothing.

We shall be glad to confer with you at your convenience; write our nearest office.

DOUGLAS - GUARDIAN
WAREHOUSE CORPORATION
Nation-Wide **FIELD WAREHOUSING**



NEW ORLEANS • CHICAGO • NEW YORK • ATLANTA • CLEVELAND • DALLAS • EASTON, MD. • LOS ANGELES • MEMPHIS
SAN FRANCISCO • PORTLAND, ORE. • ROCHESTER, N.Y. • SPRINGFIELD, MASS. • PHILADELPHIA • TAMPA, FLA. • SPRINGFIELD, MO.

Just a Minute



Yanks in Australia

Friends Across the Sea

For this month's cover, as well as for the pictures on pages 38 and 39, we have forwarded a Thank You to R. S. BRITTAIN, manager of the British and Foreign Department, Bank of New South Wales, Sydney, Australia.

Mr. BRITTAIN says the pictures were taken at the American Center in Sydney, a recreation and hospitality canteen conducted by the American Society for the benefit of "the Yanks." The photos, he suggests, "may be of banking interest to yourselves and your readers as an example of what bankers 'down under' are trying to do for your boys in some small recognition of what they are doing for us."

The cover picture shows a banking facility provided for the Americans by the Bank of New South Wales.

Why Banking Is Late

THE last couple of months your copy of BANKING has arrived late, and here's the good reason:

Printers, like banks and other business establishments, are having a long, hard bout with the manpower shortage. Even overtime and holiday work don't entirely compensate for short-handedness in pressroom, bindery or any of the half dozen other mechanical departments through which this magazine goes every month.

Our printer, The Rumford Press, at (CONTINUED ON PAGE 3)

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

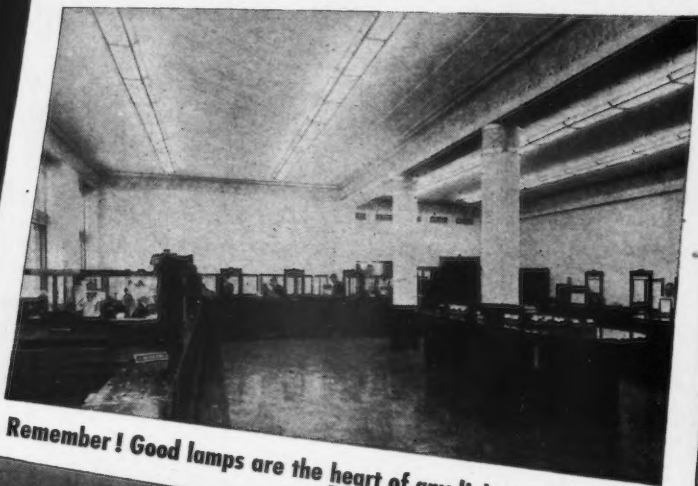
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Here's how better G-E lighting brightens the interior of The People's National Bank, Seattle, and makes it more inviting. Do your postwar modernization plans include improved lighting?



Remember! Good lamps are the heart of any lighting installation.



General Electric Research has increased the lighting value obtained from General Electric Fluorescent lamps 5-fold in a little over 5 years.

DON'T FORGET . . . the creed of General Electric research is to make lamps

Stay Brighter Longer

G-E MAZDA LAMPS

GENERAL  ELECTRIC



Hear the General Electric radio programs: "The G-E All-Girl Orchestra", Sunday 10 p. m. EWT, NBC; "The World Today" news, every weekday 6:45 p. m. EWT, CBS.

BUY WAR BONDS

BANKING

JUST A MINUTE—Continued

Concord, New Hampshire, is doing its best to publish us on time. Thanks for your patience!

A Chance to Brush Up

BANKING recently started a new department, "The Elements of Banking," wherein we reprint each month some banking fundamentals taken from a new American Institute of Banking text.

Although it's intended primarily for new bankers, we'd almost bet a subscription that some of the old timers and/or higher-uppers take a sly glance at this material now and then, just to reassure themselves that they haven't forgotten the host of commonplaces that make the wheels go 'round.

In case you're curious or interested, the page number this month is 92.

'Twas the Night Before Monday (In Other Words, Sunday)

DOES the Oldest Subscriber remember when BANKING last published a full-fledged poem?

Frankly, we don't. Frankly, also, we had no intention of breaking our long record when we laid the plans for this February 1944 issue. And then we heard of a poem that just had to be published.

In a letter from the Bath (Maine) Trust Company we learned that Mrs. IDA T. LEMONT of the staff had written some verses for the bank's holiday party, and perhaps we'd be interested in them. We were.

Mrs. LEMONT's inspiration, patterned to Clement Moore's classic, was entitled "T'was the Night Before New Year's." But it might, we know you'll agree, have been any other night, and so, rather than reject the verses because they were "unseasonal," we applied some poetic and editorial license and made the time Sunday night rather than New Year's Eve. Mrs. LEMONT didn't mind, and we don't think you will, either.

You'll agree, we know, that this contribution from 'way down East is as imaginative a bit as a banker could ask for.



"Pelly, did you take my rubber band?"

"I. O. Me"

THAT was the title, you remember, of PAUL CADMAN's article last month based on Stuart Chase's new book, "Where's the Money Coming From?" Dr. CADMAN's answers to some of Mr. Chase's contentions pleased many of our readers. Do you recall, for instance, this one:

"The American people do not like to be led blindfolded into acceptance of economic theories. They have a right to know the whole story. They should be particularly skeptical about a theory that minimizes the importance of the Federal debt on the grounds that 'we owe it to each other.' If such a doctrine were taken literally, the great majority of savers would not make any further investment in government obligations. The fact that we all continue to lend our savings to the Government for the prosecution of war is evidence that we do not believe that this debt will arbitrarily be employed to redistribute wealth; nor do we believe that there will be any default on the contracts under which the loans are made."

Try This In Your Bank

THE periodical *No Protest*, published by employees of the State-Planters Bank and Trust Company, Richmond, Virginia, prints a quiz that tests staff members' knowledge of the bank and provides them with correct information on matters that customers may inquire about.

(CONTINUED ON PAGE 5)

R. G. RANKIN & CO.

CERTIFIED
PUBLIC
ACCOUNTANTS

Examinations
of
Banks and Trust Companies
for
Directors' Committees

NEW YORK
CHICAGO
WASHINGTON

Property Facts Will Help..



The **AMERICAN
APPRAISAL**
Company
CONSULTANTS IN PROPERTY ECONOMICS

Pop—Below Reproach

J. Millar Watt



BELL SYNDICATE

February 1944

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

Statement of Condition, December 31, 1943

RESOURCES

Cash and Due from Banks.....	\$ 482,949,998.21
United States Government Obligations, Direct and Fully Guaranteed.....	1,402,546,404.49
Other Bonds and Securities.....	63,369,056.48
Loans and Discounts.....	363,163,483.71
Stock in Federal Reserve Bank.....	3,600,000.00
Customers' Liability on Acceptances.....	265,543.16
Income Accrued but Not Collected.....	5,401,213.79
Banking House.....	11,400,000.00
	<u>\$2,332,695,699.84</u>

LIABILITIES

Deposits.....	\$2,173,955,738.40
Acceptances.....	293,322.56
Reserve for Taxes, Interest and Expenses.....	9,742,995.61
Reserve for Contingencies.....	18,105,492.91
Income Collected but Not Earned.....	191,776.94
Capital Stock.....	60,000,000.00
Surplus.....	60,000,000.00
Undivided Profits.....	10,406,373.42
	<u>\$2,332,695,699.84</u>

United States Government obligations and other securities carried at \$446,503,319.09 are pledged to secure public and trust deposits and for other purposes as required or permitted by law

Member Federal Deposit Insurance Corporation

JUST A MINUTE—Continued

The employees are asked what their answers would be to 10 questions that might be put by the customers. Four possible replies are given for each, and the testee, of course, checks the right one and then waits until the next month to get the correct answers. By allowing 10 points for each question, it's possible to grade yourself.

Here are the questions, without the alternative answers:

1. Where may I buy War Savings Stamps?
2. How much interest is paid on Christmas savings.
3. Who issues bank money orders?
4. At which teller's window are drafts paid?
5. Who is the proper officer to see about obtaining an income payment loan?
6. From whom may I secure information concerning the responsibility of a prospective trade customer?
7. I wish to obtain a letter of credit. Whom must I see?
8. What was the capitalization of your bank, in round figures, at the date of its latest published statement?
9. At the date of the last published statement, what was the total customers' deposits in round figures?
10. How many people from the bank are now serving our country?

This quiz was written by Allan Grundy.

Painless, Patriotic, Popular

YOUR attention, Mr. Banker, is respectfully called to the national blood donor campaign being conducted by the American Institute of Banking.

Through its many chapters and study groups the Institute, as previously reported in *BANKING*, is requesting the aid of bank employees in this worthy service. Some chapters, notably on the Pacific Coast where San Francisco Chapter got more than 900 pledge cards, have already made splendid contributions in cooperation with the American Red Cross.

The A.I.B.'s slogan for the drive is "Put Your Blood to Work for Victory," and there is an added reminder that blood-giving is "painless, patriotic and popular."

In London Town

THEY say, these days, that if you had the time to stand a few hours in Piccadilly Circus you'd be sure to see—in uniform—somebody you know. We

—SPECIALISTS IN—

United States Government Securities

Guaranteed Issues

Federal Land Bank and Other Agency Issues

Territorial Bonds ☆ Municipal Bonds

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48 Wall Street, New York 5, N. Y.

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Cincinnati • St. Louis • San Francisco

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CANADA'S OLDEST BANK

With Modern, Experienced Service

—a million deposit accounts—over a billion dollars in assets—
branches throughout Canada and Newfoundland—
a staff numbering 6000—

Offers To American Bankers Having Business With Canada

—data on agricultural, commercial, mining and manufacturing conditions in any part of Canada—credit and market information—deposit and loaning facilities—assistance on the intricacies of foreign exchange transactions due to the war-time controls—commercial credits—collections and payments—special wire connections for speeding transactions.

Bankers are invited to call on our American offices to learn fully about the Bank's organized assistance for private industry and commerce.

NEW YORK: 64 Wall Street CHICAGO: 27 South LaSalle St.
SAN FRANCISCO: 333 California St.

HEAD OFFICE—MONTREAL

Branches throughout Canada and Newfoundland

BANK OF MONTREAL

ESTABLISHED 1817

THEY CLICK

It is really surprising how Personalized Checks have caught on. Large and small banks all over the country are now selling them to their customers. Apparently they make a hit with all types of depositors because expressions of satisfaction come to us from those carrying no-minimum-balance accounts, as well as those maintaining five-figure balances.

When we first started this program some of the larger banks felt that many of their customers who maintained compensating balances would object to paying a charge as small as \$1.25 for checks. It was expressed to us that such people might very properly feel that they were entitled to have the checks provided without charge. Strange to say, however, after several years of experience, banks have found that these big customers do not object at all to paying for Personalized Checks—they seem to look upon them as something

extra in the way of service and take it for granted that a charge will be made.

Another surprising thing is the fact that more and more of the very large banks are taking time to study the value of the Personalized Check program, and are not viewing it merely as a minor activity but as something which merits their whole support. Of course, there isn't any reason why big banks, too, should not like to reduce their check expense, but right now the question of accuracy in sorting and filing seems to be the predominant motive and Personalized Checks contribute mightily toward solving this problem.



Regardless of what prompts a bank to get into the program, we do know that people like to "personalize" their personal checks, and we know also that it saves money for the bank and speeds up operations.

Manufacturing plants at

NEW YORK

CLEVELAND

CHICAGO

KANSAS CITY

ST. PAUL

On November 23, 1942, we inserted the following advertisement in the newspapers. The thoughts expressed in it are even more important today than they were when first published.

MONEY TALKS

Make it speak the only language
the Axis understands:

THE RUMBLE OF TANKS
THE ZOOMING OF PLANES
THE CRACK OF RIFLES
THE ROAR OF CANNON
THE BURSTING OF BOMBS

BUY WAR BONDS

INTERNATIONAL BUSINESS MACHINES CORPORATION

don't expect to test that statement, but we do know that it's far from uncommon for American bankers in England to meet friends or acquaintances from "the States."

So we asked Major RALPH L. THOMAS of the Army Finance Department (Eighth Air Support Command) to see how many bankers he could find. He succeeded in spotting several, and he asked them about their impressions of Army life, training, etc. Some of the interviews are printed this month in "Heard Along 'Main Street' London," p. 28.

A Word or Two from Connecticut

ONE of the advantages of being a reporter is that, in substantiation of Mr. Micawber's philosophy, something is always turning up.

The new planet that most recently swam into this department's ken is a little mimeographed newspaper, "The Calling Card," edited (and mostly written) by President RALPH W. CHAPIN of the Connecticut Savings Banks Association.

We were particularly impressed by Mr. CHAPIN's frank assertion that his was a paper with no aspirations other than to be local and newsy. Listen to him:

"The other day I heard a man say that he thought it was too bad that so many articles found in the national publications were repeated by smaller publications. 'The Calling Card' does not aspire to carry big news, but it hopes to carry items of local interest, like a country newspaper—intimate, of course, but not too much so. The big news will be left to the bigger publications, and we shall try to cover Connecticut. Sometimes it pays to be so small that you know they don't mean 'you.'"

(CONTINUED ON PAGE 10)

"It's going to be mighty quiet around here with your mother and her red points gone"



BANKING



Nimble Fingers busily wasting time that Multilith can save

A SYMPHONY of clattering keyboards does not necessarily mean an efficient office system at work.

In many cases—too many cases—these machines are being kept busy, writing the same characters, words, and sentences over and over—wasting time and manpower.

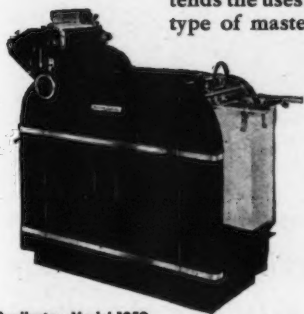
Wherever repetitive data is being put on paper, there, undoubtedly, is a place where Multilith master sheets can save valuable time and motion.

A wartime development which greatly extends the uses of Multilith duplicating is a new type of master sheet called a Systemat. It is revolutionizing many office methods and operations. Systemat master sheets are furnished with a business form already on them in reproducing ink. "Variable" information—to complete pur-

chase orders, job orders, shipping documents, packing slips, instruction sheets, and scores of other forms—is then typed or written in on the Systemat which is then ready for direct Multilith reproduction of dozens, or hundreds, of accurate, permanent, black-on-white facsimiles—*every one an original.*

Let a Multigraph representative show you, without cost or obligation, how Multilith Duplicating Methods can fit right into your office systems to save you time and money in every department of your business where repetitive writing is involved.

Millions of Multilith Systemats are being used by U. S. military forces. Of course, their requirements take precedence over civilian demands. Addressograph-Multigraph Corporation—Cleveland. Sales agencies with service and supply departments in principal cities of the world.



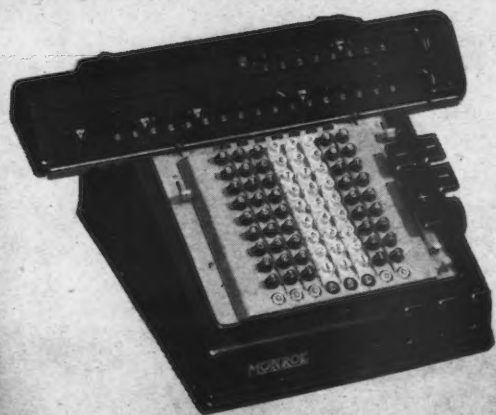
Multilith Duplicator, Model 1250
Multilith Models from \$395 to \$3725
Multigraph Models from \$150 to \$2035

Multigraph

TRADE-MARK REG. U.S. PAT. OFF.

SIMPLIFIED BUSINESS METHODS

Multilith, Systemat, Addressograph and Multigraph are Registered Trade Marks of Addressograph-Multigraph Corp.



Monroe Calculating Machines have been standard equipment in thousands of banks for a generation. The same excellence of construction and dependability that won this universal acceptance are built into Monroe Bookkeeping Machines.

MANPOWER HOURS...

*This Monroe Bookkeeping Machine
can make them more productive*

Approximately ninety per cent of the volume activities of a bank have to meet a daily dead-line. Being under-manned is serious in any business, but it is doubly so in banking, because *a bank is essentially an institution where today's work must be done today.*

The posting of Ledger and Statements, listing of Checks and Deposits, work in the Proof and Transit Department and in the Savings Department; these must be done—and proved—before the work-day ends.

Monroe Bookkeeping Machines and Listing Machines are easing this work—and shortening hours—in banks all over the country. Here are some of the reasons:

Because Monroe Bookkeeping Machines are so simple and so easy to learn to operate, precious hours are saved in training new employees.

For the same reasons an operator on the Monroe can work in other departments and on different jobs with maximum efficiency.

Monroe's exclusive, easy, Velvet Touch keyboard and operating bars are appreciated by every operator who knows the fatigue of thousands of key depressions daily.

Monroe Bookkeeping Machines are so flexible they are instantly adaptable to a broad variety of forms and work.

Postings are speeded up by automatic operations and live operating keys.

Monroe's flexibility of register action makes corrections possible in accordance with proper accounting and auditing procedures.

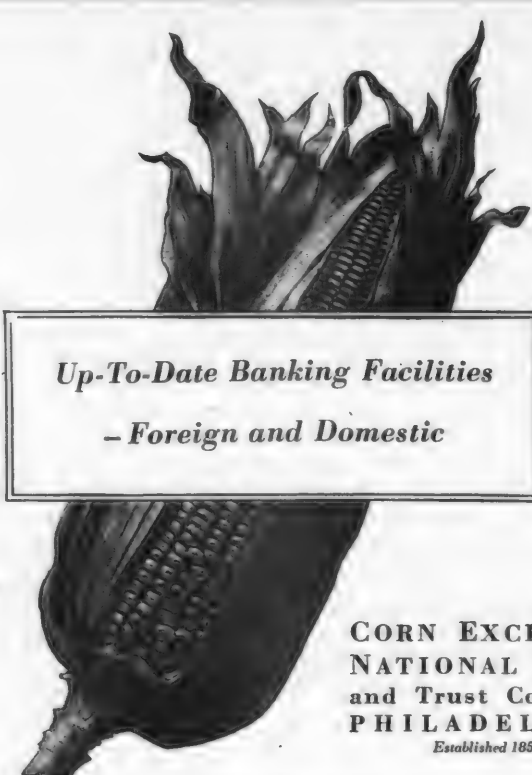
Fast insertion of forms saves time; perfect printing alignment saves paper, and gives customers neater statements.

Our Guaranteed Maintenance Service Plan keeps Monroe machines in top operating condition at minimum cost.

Get in touch with your nearest Monroe branch. Let our representative explain why these and many other features and advantages make Monroe Bookkeeping Machines ideal for easing your manpower problem. His counsel and experience may be helpful in suggesting methods and procedures that will save vitally precious hours. He will also explain the availability of Monroe equipment under existing conditions. Monroe Calculating Machine Company, Inc., Orange, New Jersey.

MONROE

CALCULATING, LISTING, AND BOOKKEEPING MACHINES



Up-To-Date Banking Facilities
— Foreign and Domestic

**CORN EXCHANGE
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PHILADELPHIA**
Established 1858

Member Federal Deposit Insurance Corporation



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letterhead paper that's just as
WHITE - CRISP - PERMANENT
as before the War...
Masterline
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BECAUSE chlorine (bleaching agent) is vital to war, papers made from anything but 100% rags are losing color and brightness.

Anniversaries Bond — made only from plentiful, new all-rag cuttings — continues bright, clear, crisp and permanent... as ever, the most distinguished sheet known to the paper making art. Long, strong cotton fibres weld themselves into a sheet of strength and character, with outstanding opaqueness in any weight.

Expensive? ... hardly! You spend dollars of time on *what* you write — you need spend only $\frac{1}{8}$ ¢ more to *make* it right.

FOX RIVER PAPER CORPORATION
401 South Appleton Street, Appleton, Wis.

SPEND 3 MORE CENTS *Masterline*

SPECIFY ANNIVERSARIES BOND

THE BEST LETTERHEAD PAPER IS MADE FROM RAGS
all

SEE FOR YOURSELF

FREE Comparison Kit
Visual proof, with samples, that all-rag Anniversaries Bond is the paper for you to sign—printed, lithographed or engraved. Please request on business letterhead.

JUST A MINUTE—Continued

We immediately decided that here was a chance for a national publication to repeat something found in a small publication, thus reversing the tendency noted by Mr. CHAPIN. And here you have it.

Numerous other quotable items, may we add, appear in "The Calling Card," including pleasant references to the new year and to Connecticut's Litchfield Hills. And, of course, news about savings banking and bankers, and the War Loan drive.

The point is that it's always pleasant to find in publications, regardless of size, the human touch that makes us all kin. Maybe, as Mr. CHAPIN says, it pays to be small; most certainly it pays to be interesting.

Bankers and War Bonds

So many bankers are up to their necks in the Fourth War Loan Drive that we hesitate to extricate them even for the purpose of reading these rough notes, which are offered merely for the purpose of calling attention to pages 36 and 37 of this **BANKING**.

There you'll find most of the 25 bankers who are chairmen of the War Finance Committees in their respective states. We tried to get all the photos, but had to go to press without a few.

With the pictures are excerpts from the radio address of A. L. M. Wiggins, president of the American Bankers Association, on the eve of the drive.

In all states bankers are serving on important War Loan committees, even if they don't happen to be chairmen of their state administrative groups. And perhaps it might be added that no one realizes more fully the value of their services than the Treasury and the Government of the United States.

JOHN L. COOLEY

Suburban Heights

Gluyas Williams



Significant Signs of Steady Progress

The Southeast, America's last great frontier region, is making amazing forward strides in industry, commerce and agriculture. Banks of the Florida National Group have worked consistently to further this progress which is emphatically reflected in the comparative figures shown here.

Because of their strategic locations in the major manufacturing, commercial, agricultural and recreational areas of Florida, and their intimate knowledge of the Southeast as a whole, Banks of the Florida National Group are especially well equipped to serve you promptly and efficiently in matters pertaining to this area.

Combined Statements FLORIDA NATIONAL GROUP of BANKS

RESOURCES	DECEMBER 31, 1942	DECEMBER 31, 1943
Loans and Discounts.....	\$ 29,968,119.65	\$ 38,161,714.27
Overdrafts.....	1,111.46	1,025.94
Banking House & Furniture Including Office Buildings.....	5,261,505.86	5,148,727.70
Other Real Estate Owned.....	368,972.47	328,382.23
Prepaid Expenses.....	44,639.94	19,346.96
Other Resources.....	75.00	75.00
Customers Liability A/C Letters of Credit.....		245,194.00
Accrued Interest and Income Receivable.....	396,569.80	767,221.73
U. S. Government Securities.....	46,006,825.01	89,765,796.48
Listed New York Stock Exchange Bonds and Other Securities.....	15,665,607.52	16,458,308.93
Cash on Hand and Due from Banks.....	58,178,334.50	61,895,607.26
	120,247,336.83	168,886,934.40
	\$155,891,761.21	\$212,791,400.50
LIABILITIES		
Capital Stock.....	6,225,000.00	6,225,000.00
Surplus.....	3,924,400.00	4,910,250.00
Undivided Profits.....	674,710.41	544,893.31
Reserves.....	558,926.51	741,408.22
Reserve for Income Taxes.....	286,341.92	607,169.14
Dividends Declared, not yet payable.....	4,187.50	4,187.50
Other Liabilities.....	1,403.56	291.23
Interest and Income Collected, not earned.....	113,163.87	87,522.55
Letters of Credit.....		245,194.00
Deposits.....	144,103,627.44	199,425,484.55
	\$155,891,761.21	\$212,791,400.50

FLORIDA NATIONAL GROUP of BANKS

FLORIDA NATIONAL BANK
OF JACKSONVILLE

FLORIDA NATIONAL BANK &
TRUST COMPANY
AT MIAMI

FLORIDA BANK & TRUST
COMPANY
AT DAYTONA BEACH

FLORIDA NATIONAL BANK
AT LAKELAND

FLORIDA NATIONAL BANK
AT BARTOW

FLORIDA NATIONAL BANK
AT OCALA

FLORIDA NATIONAL BANK
AT BELLE GLADE

FLORIDA NATIONAL BANK
AT ST. PETERSBURG

FLORIDA BANK AT ORLANDO
ORLANDO

FLORIDA BANK & TRUST
COMPANY
AT WEST PALM BEACH

FLORIDA BANK
AT CHIPLEY

FLORIDA BANK
AT STARKE

FLORIDA BANK
AT PORT ST. JOE

FLORIDA
NATIONAL
GROUP



THE OUTLOOK FROM WASHINGTON

HERBERT BRATTER

Regulation Q

Washington, D. C.

THE sharp difference of opinion between the Federal Reserve Board and the FDIC over what constitutes payment of interest has now come to Congress for solution. The issue was precipitated by the publication in the September Federal Reserve *Bulletin* of the Board's opinion that in a certain case absorption of exchange by one bank for another constituted a violation of Regulation Q. New legislation to clarify Section 19 of the Federal Reserve Act as it relates to interest is possible.

In December the House Banking and Currency Committee under its new chairman, Representative Brent Spence of Kentucky, held hearings at which Governor Ronald Ransom and others from the Federal Reserve Board firmly defended the Board's interpretation of Regulation Q, while FDIC Chairman Leo T. Crowley was equally definite in his disagreement. The Comptroller's office did not testify in December, but Deputy Comptroller Upham attended the hearings.

Since the Federal Reserve Board's September ruling on Regulation Q is readily available, it need not be quoted here. Concerning it, the Board states that it was guided by what the courts have said constitutes the collection or payment of interest. The Board maintains that, if Regulation Q were re-

pealed, "there would still remain the prohibition of the statute and consequently also the question of whether the practice of the bank described in the Board's September ruling violated the statute. If such an issue was before a court for decision, the court would be guided by the cases which have decided what constitutes a collection or payment of interest. This was exactly the yardstick used by the Board and it knows of no criticism directed at the soundness of its conclusions from a legal standpoint."

Mr. Crowley's prepared testimony in opposition to the Board's view was a 24-page document, from which a few excerpts appear herewith:

As we understand it, the question under discussion is the immediately impending general application to all member banks of the ruling . . . published in the Federal Reserve *Bulletin* for September 1943, and subsequently amplified. . . . The FDIC had previously submitted a vigorous dissent from the proposed ruling. The theory of the Board of Governors would appear to require it to outlaw as well the absorption of service charges and other expenses for depositors which all banks now incur to some degree. . . .

As we view the proposed ruling, it is simply another attempt to force par clearance upon non-member banks. In the past, all such attempts have been defeated administratively, legislatively, and judicially. . . .

On December 6, 1943, the board of directors of the Federal Deposit Insurance Corporation adopted a ruling which expressed the view that "the absorption of exchange charges by an insured non-member bank in

connection with its routine collection for its depositors of checks drawn on other banks cannot be considered a payment of interest, within the terms of the interest regulations of the Federal Deposit Insurance Corporation, in the absence of facts or circumstances establishing that the practice is resorted to as a device for the payment of interest."

Representative Paul Brown of Georgia, who has been leading the effort within the Committee to oppose the Federal Reserve Board's position, made a speech on the floor of Congress in the course of which he inserted various documents bearing on the history of the controversy. Mr. Brown then told the House:

Many members of the committee were amazed to learn that the Board of Governors of the Federal Reserve System had adroitly planned this entire matter. Their first step was to issue what appeared to be a ruling of limited application applicable only to one bank, or possibly to a few more banks which might have engaged in the same practice. This was followed by widespread publicity to the ruling and apparently by secret instructions to all of the 12 Federal Reserve banks to whip the banks in their districts into line by January 1 under threat of expulsion from the Federal Reserve System, or other severe disciplinary action if they did not cease absorbing exchange charges by that date. While Governor Ransom, of the Federal Reserve System, who appeared as the spokesman for the Board in these hearings, piously denied the giving of any such circular instructions, it nevertheless appears that by some peculiar coincidence most of the banks of the country that are affected by this ruling are

(CONTINUED ON PAGE 14)

President Roosevelt, below left, in his annual "state of the Union" message to Congress, which was broadcast nationwide, topped a five-point Victory program with request for passage of a national service bill. Discussing the President's message, left to right, below, Senators Austin, Connally, Wheeler and Rivercomb



PRESS ASSOCIATION PHOTOS
BANKING

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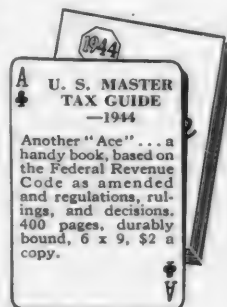
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Vice-President and General Manager

Condensed Annual Statement as on November 30, 1943

ASSETS

Cash on Hand, in Banks and in Bank of Canada \$	323,225,988
Government, Provincial and Municipal Securities not exceeding market value.....	711,358,863
Other Bonds, Debentures and Stocks not exceeding market value	23,426,380
Call Loans	46,692,209
Commercial Loans	352,889,182
Bank Premises	12,762,442
Liabilities of Customers under Letters of Credit and other Assets.....	38,742,508
	<u>\$1,509,097,572</u>

LIABILITIES

Capital, Reserve and Undivided Profits	\$ 59,388,879
Notes of the Bank in Circulation	12,851,349
Deposits	1,399,891,198
Letters of Credit and Other Liabilities.....	36,966,146
	<u>\$1,509,097,572</u>

*Over 500 Branches in Canada and Newfoundland
64 Branches Abroad, including:*

LONDON, NEW YORK, HAVANA, BUENOS AIRES, RIO DE JANEIRO,
SAN PAULO, MONTEVIDEO, LIMA, BOGOTA, CARACAS, BELIZE, NASSAU,
also in PUERTO RICO, DOMINICAN REPUBLIC, HAITI, BARBADOS,
DOMINICA, JAMAICA, ST. KITTS, TRINIDAD, MONTSERRAT, ANTIGUA,
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OUTLOOK—Continued

notifying their depositors that they will cease to absorb exchange charges by January 1 because of the ruling which the Federal Reserve has given. . . .

My colleagues, I want you to know that this innocent looking ruling, in my opinion, will have a revolutionary effect upon our banking system. It is a death blow at many of the banks in my own State of Georgia and in the states of many of my southern and western colleagues and I exhort you to join with me in defeating this unparalleled effort to force over 2,100 of the small country banks of this nation into the harness of the Federal Reserve Board's design. . . . This, bear in mind, is being accomplished with the utmost adroitness . . . by the simple expedient of a "ruling" which has the force of law but without observance of any of the formal requisites which usually accompany the adoption of a regulation.

Uniform termination article

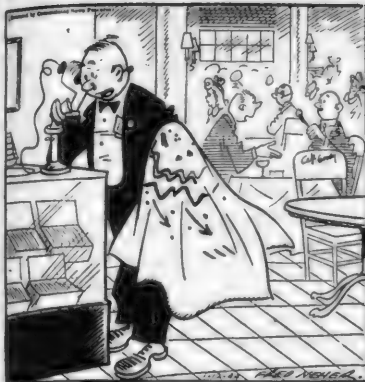
DIRECTOR of War Mobilization Byrnes made public a uniform termination article for incorporation in war contracts and a statement of principles for determination of costs upon termination of government fixed-price supply contracts. Both apply only to domestic lump-sum but not cost-plus contracts.

At the time of their publication Mr. Byrnes announced that the termination article and cost statement are confined to broad, workable principles, with details left to be covered in administrative regulations, manuals and instructions. Many points were not included because they were questions of detail which will require constant refinement in the light of experience and could be handled best by regulations which can be revised readily and which are more easily adjusted to special cases.

Briefly summarized, the termination article provides that the Government may terminate a prime contract at any time by giving notice, which is the common provision in existing contracts. What the contractor must do on receiving his termination notice is set forth. Contractors will be paid for all completed articles at the contract price.

Two types of settlement are provided for: one, for the contractor and the Government to agree upon a fair and reasonable settlement through negotiation; the second, if such negotiations prove unsuccessful, for settlement through the application of a specified formula.

Mr. Byrnes announced: "The fact that the termination provisions in government war supply contracts are to be simplified and made uniform is an important contribution to and can be described as the first step in developing a full set of clearcut, workable policies on



"Hello, War Department . . . would you like a plan to end the war in six months?"

contract termination; but it is only the first step.

"The termination article and cost statement are not intended to cover and should not be confused with the many other aspects of contract termination policies including such questions as payments and loans, settlement procedures, the keeping of adequate records and protection of the public interest, the special problems of subcontractors, appeals, company-wide settlements, the disposal of property and the need for legislation. All of these problems are enmeshed in many difficulties which are being cut through and will be reported on."

The Administration has in mind the application of the principles of the uniform termination article to subcontractors, the effecting of quick payments to all, proper safeguards to protect the Government, and clearance of materials and equipment within 60 days after filing of inventory lists.

In addition to excepting foreign contracts, attention is being given to the exception of certain other contracts from the uniform procedure.

The cost statement lists and describes certain costs which may be included to the extent that they are applicable to the terminated contract. One of these is interest on borrowings. The statement also lists excluded costs.

An independent Internal Revenue Bureau?

IN ANNOUNCING his intention to seek separation of the Internal Revenue Bureau from the Treasury, Representative Harold Knutson of Minnesota, a leading Republican member of the Ways and Means Committee, stated: "There is no good reason why the Bureau, the activities of which relate strictly to the

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CONDENSED STATEMENT AS OF DECEMBER 31, 1943

Resources

Cash: On hand and in Federal Reserve Bank	\$ 47,045,355.50	
In Other Banks	39,076,078.63	\$ 86,121,434.13
United States Government Securities (Direct and Fully Guaranteed)		163,344,821.87*
Obligations of Other Federal Agencies	1,961,270.64	
State, County and Municipal Bonds	4,276,989.48	
Other Bonds and Securities	1,759,654.31	7,997,914.43*
Stock in Federal Reserve Bank		285,000.00
Ownership of California Trust Company		1,475,324.66
Loans and Discounts		54,092,918.17
Bank Premises, Furniture and Fixtures		1,025,514.26
Other Real Estate		223,230.74
Income Earned, Not Collected		708,789.32
Customers' Liability under Letters of Credit and Acceptances		269,370.95
Other Resources		195,447.70
TOTAL		\$315,739,766.23

Liabilities

Deposits: Demand	\$190,493,490.58	
Time	87,241,152.23	
United States War Loan Deposit	24,096,434.71	
Other Public Funds	575,702.28	\$302,406,779.80
Reserve for Interest, Taxes and Expenses		362,060.19
Income Collected, Not Earned		276,155.39
Letters of Credit and Acceptances		430,327.20
Other Liabilities		154,223.56
Capital: Preferred	800,000.00	
Common	5,000,000.00	
Surplus	3,700,000.00	
Undivided Profits	2,610,220.09	12,110,220.09
TOTAL		\$315,739,766.23

*\$28,832,858.80 pledged, according to law, to secure Public Funds and Trust Deposits

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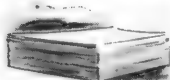
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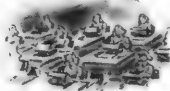
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collection of taxes, should continue to be under the domination of the Treasury, which too often is more concerned with the politics of tax policy than with giving Congress unbiased information upon which it can intelligently formulate revenue legislation.

"Under the present arrangement, Bureau officials, who have expert and first-hand knowledge of the operation and administration of the tax laws, are not permitted to advise the Congress directly and freely concerning tax administration or give the Congress the benefit of their independent judgment regarding administrative matters. All such information must now clear through the Treasury and, of course, has to conform to preconceived Treasury policy.

"In many instances it has developed that information submitted by the Treasury is inconsistent with facts as found by the Bureau. Also, it has been found upon inquiry that the Bureau's own recommendations regarding administrative matters often are at odds with the recommendations made to the Congress by the Treasury, supposedly on the basis of the Bureau's advice. This is an unwholesome situation, and is not conducive to good legislation. If the revenue raising committees of Congress were enabled to work directly with an independent Internal Revenue Bureau on matters of tax administration there is no doubt but that improved procedure in the collection of taxes could be worked out. . . .

"So far as the Treasury is concerned, a great many members of Congress, regardless of party affiliation, are at the end of their patience in reference to the attempt of Secretary Morgenthau to usurp the constitutional control of the legislative branch over tax policy."

The public debt

AT THE end of 1943 the gross public debt stood at \$165,900,000,000, as compared with the statutory debt limit of \$210,000,000,000.

Advantages of tokens

ALTHOUGH admitting that the use of ration tokens will cause some inconvenience to operators of turnstiles, fare boxes, package lockers, juke boxes, automatic gum machines, and other vending machines, OPA feels that this will be more than offset by the tremendous benefit that ration tokens will provide the housewife and the food retailer. OPA Administrator Chester Bowles estimates that use of tokens will save the retail trade at least \$35,000,000 an-

nually in terms of time now spent in counting and assorting stamps. Under the simplified plan, all food stamps will be validated at 10 points each. This will mean a time saving of about 75 per cent as compared with the present method.

Mr. Bowles states: "Danger of loss of stamps or their destruction is reduced to a minimum. You can't tear a token made out of a material used as facing on pile drivers. If we were not to use tokens, we would have to manufacture more ration books at a cost of about \$1,500,000 for the issuance of each new book. Ration token use will result in more than doubling the present life of a ration book."

The 2,000,000,000 tokens now being distributed, Mr. Bowles says, will cost the taxpayers about \$2,000,000, or only a small fraction of the dollar saving that will result from operation of the plan, "which will prove a boon to the food trade and to millions of housewives."

Real estate inflation

THE Federal Home Loan Bank Administration believes that competition for mortgage loans by financial institutions "quickened by a lending market narrowed by wartime restrictions" is hastening a dangerous inflationary movement in residential real estate prices. Commissioner John H. Fahey in a public statement on the subject issued over the year-end said that there has been a heavy increase in the financing of the sale of existing houses at prices which in far too many cases represent an inflated debt for the purchaser and a doubtful margin of security for the mortgage holder. Present "easy-money" prices are being given entirely too much weight in fixing valuations for long-term mortgage lending, when the ability of most of these cities to hold their wartime gains in population after the war is doubtful indeed, according to Mr. Fahey.

Clad in his siren suit and a dressing gown, British Prime Minister Churchill, during his convalescence, talks with General Eisenhower, left, and General Alexander, second from left



PHOTO ASSOCIATION

February 1944



STATEMENT OF CONDITION

DECEMBER 31, 1943

RESOURCES

Cash and Due from Banks	\$78,814,759.29
United States Treasury Bills	11,414,176.66
Other U. S. Government Securities, Direct and Guaranteed	176,424,489.56
State and Municipal Securities	10,469,115.87
Other Bonds and Securities	3,044,197.20
Loans and Discounts	\$280,166,738.58
Interest and Other Income Earned but Not Collected	58,410,966.10
Stock in Federal Reserve Bank	999,235.61
Bank Premises, Head Office and Branches	606,300.00
Other Real Estate, including assets indirectly representing Other Real Estate	4,394,289.95
Customers' Liability under Letters of Credit and Acceptances	1,595,483.20
Other Assets	2,797,482.34
	282,500.23
TOTAL	\$349,252,996.01

LIABILITIES

Deposits:	
United States Government	\$23,725,959.16
Other Public Deposits	18,980,238.89
Demand Deposits	193,464,007.51
Time Deposits	79,767,182.55
Discount and Other Income Collected but Not Earned	\$315,937,388.11
Letters of Credit and Acceptances	174,000.41
Other Liabilities	2,907,297.57
Capital Stock:	552,452.16
Preferred*	\$6,960,000.00
Common	8,200,000.00
Surplus	15,160,000.00
Undivided Profits	5,050,000.00
Reserves for Dividends, Retirement of Preferred Stock and Contingencies	3,029,415.42
	6,442,442.34
TOTAL	\$349,252,996.01

*1,740,000 shares, par value \$4.00 per share, retireable at issue price of \$10.00 per share. Current dividend rate 4% on subscription price.
Securities carried at \$52,995,044.68 are pledged to secure public and trust deposits and for other purposes as required or permitted by law.

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PCA loans

THE Bureau of Agricultural Economics recently reported that outstanding loans of production credit associations were about 4 per cent higher on July 1, 1943 than a year earlier. All sections of the country, however, did not participate in this increase. Slight decreases took place in the South Atlantic and Mountain States and a decrease of 8.2 per cent occurred in the Pacific States. Regions showing the major increases were the New England States with 14.5 per cent, the East North Central with 9 per cent, the West North Central with 11.6 per cent, and the East South Central with 10.7 per cent.

Renegotiation—minority report

FOUR members of the Senate Finance Committee last month issued as a minority report a strong dissent to the policy adopted by the Committee concerning relaxation of the renegotiation statute. Both the Committee report and the minority report (Sen. Rept. No. 627) are available from the Finance Committee. The minority report, which may be said to reflect the Administration view on this complicated subject, is signed by Senators Walsh, LaFollette, Connally and Lucas. Holding that "it would be more honest to repeal the Renegotiation Act altogether than to weaken it fatally by these amendments," the minority report summarizes its position as follows:

The Finance Committee bill departs radically from this national determination to prevent profiteering. By narrowing the scope of renegotiation and by hobbling its administration, this bill will nullify profit control over large areas. Under renegotiation, business is allowed liberal profits; the statute restrains only unconscionable profiteering. Under the revised bill, many will enjoy free license to make exorbitant profits out of war business, and millions of dollars of public money will be paid back to a specially favored group who have already made and kept generous war profits. The bill sows the seeds of a new crop of war millionaires. It will breed bitterness and resentment among the people.

Gold vs. strategic materials

NO one would dispute the fact that Pearl Harbor would have found this country better prepared to defend itself had we in the previous years imported less gold and silver and more of those vital products which we must get abroad. Yet legislative efforts to build

(CONTINUED ON PAGE 20)

NATIONAL BANK OF DETROIT

Complete Wartime Banking and Trust Service

Statement of Condition December 31, 1943

RESOURCES

Cash on Hand and Due from Other Banks	\$ 289,428,346.25
United States Government Obligations, direct or fully guaranteed	716,217,273.09
Other Securities	55,327,396.60
Stock in Federal Reserve Bank	900,000.00
Loans:	
Loans and Discounts	\$106,003,028.87
Real Estate Mortgages	12,864,129.03
Overdrafts	32,945.24
Branch Buildings and Leasehold Improvements	1,051,367.45
Accrued Income Receivable—Net	2,097,100.54
Prepaid Expense	172,652.42
Customers' Liability Account of Acceptances and Letters of Credit	4,021,735.24
TOTAL RESOURCES	\$1,188,115,974.73

LIABILITIES

Deposits:	
Commercial, Bank and Savings	\$965,637,026.02
U. S. Government	133,549,980.38
Treasurer—State of Michigan	13,559,383.32
Other Public Deposits	27,496,669.56
	\$1,140,243,059.28
Capital Account:	
Preferred Stock	8,500,000.00
Common Stock	10,000,000.00
Surplus	11,500,000.00
Undivided Profits	8,665,558.98
	38,665,558.98
Reserve for Common Stock Dividend No. 19 payable February 1, 1944	500,000.00
Reserves	4,685,621.23
Our Liability Account of Acceptances and Letters of Credit	4,021,735.24
TOTAL LIABILITIES	\$1,188,115,974.73

United States Government Securities carried at \$171,081,471.69 in the foregoing statement are pledged to secure public and trust deposits and for other purposes required by law.

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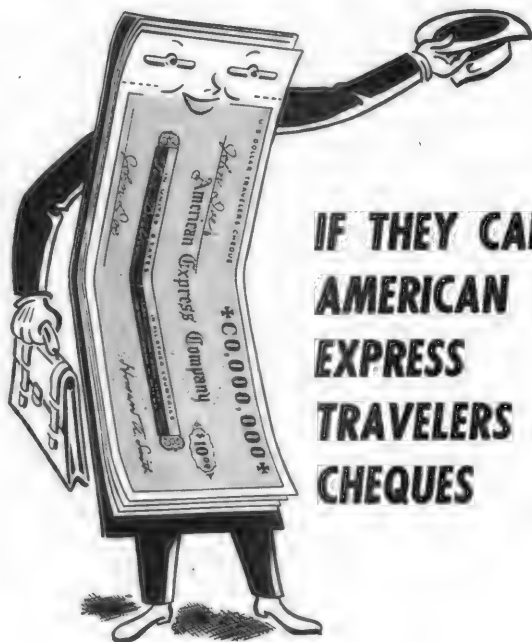
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AMERICAN EXPRESS TRAVELERS CHEQUES

OUTLOOK—Continued

up bigger stockpiles were rejected as recently as 1940.

Now, as the war moves along, thought is being given to the problems of currency stabilization, commercial policy, and the prevention of a recurrence of world war. These are not separate questions, and Vice-chairman William L. Batt of the WPB very wisely brought them together in the very worthwhile speech he delivered recently in Chicago. Mr. Batt endorses the idea that we make every effort to import all of the critical materials which we can from abroad and use as little of our own precious remaining supplies.

He adds:

"Accepting this national policy, we should say to foreign countries, still rich in natural resources, 'We will ship you all of the manufactured articles which we have in surplus and which you want, provided you pay us in the raw materials of which you have an exportable supply. But we want those materials to be materials which we can use in our own economy.' That would, of course, sharply reduce our emphasis on gold as a means of payment. We would then bring in as much gold as we needed to maintain our financial programs and only as much more as is needed to meet our limited industrial demands, and I can assure you that those demands are very limited. Incidentally, this would be a distinct help toward occupying those surplus ships which we shall have built during this war and for which adequate cargoes will be hard to find when the war is over."

Treasury financing in 1943

DURING 1943 the Treasury borrowed \$57 billions, of which \$33 billions came from sources other than commercial banks. Almost half of the \$33 billions in turn came from individuals, partnerships, and personal trust accounts.

With a goal of \$13 billions, the Second War Loan last April produced \$18.6 billions. For the Third War Loan, in September, the goal was raised to \$15 billions, and the response was \$18.9 billions.

In 1943, 50 million persons bought almost \$14 billions of Series E, F and G War Bonds. At the end of the year, 26,000,000 were buying War Bonds through the payroll savings plan.

THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

STATEMENT OF CONDITION, DECEMBER 31, 1943

RESOURCES

Cash and Due from Banks	\$1,050,012,132.96
U. S. Government Obligations, direct and fully guaranteed	2,603,171,662.35
State and Municipal Securities	74,385,803.51
Other Securities	89,737,516.11
Loans, Discounts and Bankers' Acceptances	791,979,924.59
Accrued Interest Receivable	9,114,028.50
Mortgages	7,371,146.66
Customers' Acceptance Liability	4,535,147.91
Stock of Federal Reserve Bank	7,050,000.00
Banking Houses	35,740,420.22
Other Real Estate	4,990,637.67
Other Assets	1,885,543.02
	<u>\$4,679,973,963.50</u>

LIABILITIES

Capital Funds:	
Capital Stock	\$100,270,000.00
Surplus	134,730,000.00
Undivided Profits	<u>37,878,137.46</u>
	\$ 272,878,137.46
Dividend Payable February 1, 1944	5,180,000.00
Reserve for Contingencies	6,455,398.70
Reserve for Taxes, Interest, etc.	5,863,504.79
Deposits	4,375,581,740.97
Acceptances Outstanding . . . \$	8,697,050.17
Less Amount in Portfolio	<u>2,808,450.76</u>
	5,888,599.41
Liability as Endorser on Acceptances and Foreign Bills	561,411.98
Other Liabilities	<u>7,565,170.19</u>
	<u>\$4,679,973,963.50</u>

United States Government and other securities carried at \$735,982,755.00 are pledged to secure U. S. Government War Loan Deposits of \$583,660,010.04 and other public funds and trust deposits, and for other purposes as required or permitted by law.

Member Federal Deposit Insurance Corporation

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NUMBER 9
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Official Photograph U. S. Army Air Forces

Beech Aircraft

BEECHCRAFTS ARE DOING THEIR PART



WICHITA, KANSAS, U. S. A.

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

FEBRUARY 1944

Why Banks Are "Locally Needed"

IN January the regional director of the War Manpower Commission officially designated banking in Detroit, Michigan, as a "locally needed" activity. In view of the increased importance of this form of essential classification—occasioned in part by President Roosevelt's message to Congress, in which he strongly recommended passage of a national service law—the formal application presented by members of the Detroit Clearing House Association is set forth here as a possible guide for banks in other critical or semi-critical areas.

FACTS ABOUT THE DETROIT CLEARING HOUSE ASSOCIATION:

The association is a non-profit organization whose objects are: First: The effecting at designated places of the daily exchange of checks, notes, or other instruments of credit between the several associated banks and the providing for the settlement, in such manner and in such funds as the association may from time to time determine, of the balances resulting from such exchanges. Second: The promotion of the interest of the members and the maintenance of conservative banking through wise and intelligent cooperation.

MEMBERSHIP OF ASSOCIATION:

Commonwealth Bank.....	21 branch offices
The Detroit Bank.....	31 branch offices
Manufacturers National Bank.....	3 branch offices
National Bank of Detroit.....	29 branch offices
Total.....	84 branch offices
	4 main offices
Federal Reserve Bank of Chicago, Detroit Branch	

REMARKS:

This application is made in behalf of the first four named institutions, each of which conducts a general banking business in the Detroit area. The fifth named member, the Federal Reserve Bank of Chicago, Detroit Branch, was, upon separate application, declared essential on May 11, 1943.

REASON FOR THIS APPLICATION:

(a) Upon the premise that the banks, for which this application is made, perform services which are essential to the support of the war program and are necessary to the maintenance of the welfare of the civilian population.

(b) That such services cannot properly be maintained by the banks unless they are given the same status as an essential activity under employment stabilization plans and under any program based on Executive Order 9328, particularly as it pertains to Section 3 of such Order.

SERVICES DIRECTLY RELATED TO THE WAR PROGRAM:

☐ *Ration Coupons:*

The banking system handles the entire bookkeeping operation in connection with ration coupons for the Office of Price Administration. In September 1943 the four banks in question operated 14,125 ration banking accounts and handled 194,722 transactions covering six commodities with ledger balances as of September 30, 1943 as follows:

Fuel oil.....	66,592,709 gallons
Gasoline.....	49,072,756 gallons

Skyline view of Detroit, looking down Second Boulevard from the General Motors Building



Sugar.....	31,744,326 pounds
Meats, fats, cheese.....	782,202,902 points
Processed foods.....	838,072,374 points
Shoes (pairs).....	1,179,638

Forty-four employees are devoting their full-time services to this work at the main offices, in addition to which a certain amount of time of 301 employees at the branch offices is utilized for the convenience of neighborhood merchants.

War Bonds and U. S. Securities:

The four banks in question are authorized agents of the Federal Reserve System and, in this connection, issued 459,648 Series E War Bonds, totaling \$37,280,927, during the month of September 1943; also, 1,200,269 stamps, totaling \$287,000 were sold.

In addition to the War Bonds, the banks handled \$215,687,036.50 in Series F and G War Bonds and other U. S. Government securities for the U. S. Treasury Department, during the month of September 1943. During this same month, the four banks contributed the additional services of a substantial number of their officers and employees in the Third War Loan drive; it is estimated that this totaled 14,938 man-hours.

In September 1943, 27,158 War Bond redemptions were handled, in addition to which 2,532 signatures on War Bonds, sent to the Federal Reserve System for redemption, were certified. The banks have made available to the public facilities for the safekeeping of War Bonds. At the present time 7,016 such accounts are maintained, involving 129,695 bonds totaling \$6,924,900.

As of September 30, 1943, the banks had invested in government securities \$1,372,929,614.13, an increase of \$452,654,998.53 from December 31, 1942.

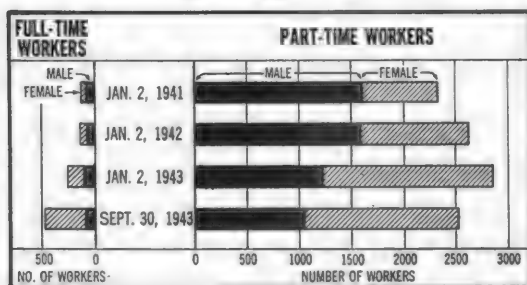
Regulation "V" War Loans (As of September 30, 1943):

These loans involve the partial guarantee by the Federal Government of loans made by banks to finance war production. Loan commitments of \$149,187,000 have been made by the four member banks. On September 30, 1943, \$70,822,000 of the total was being used by the borrowing companies. In addition, \$12,510,000 in loans which were outstanding on September 30 (although not federally guaranteed) were earmarked for war activities.

Withholding Taxes:

The U. S. Treasury Department has appointed the banks as authorized agents to collect the 20 per cent withholding tax, withheld from employees' salaries,

Personnel Statistics



HERE is the letter transmitting to W.M.C. officials the application on behalf of Detroit banks for a "locally necessary" rating:

REGIONAL DIRECTOR, *Detroit Area*
War Manpower Commission
Detroit, Michigan

Dear Sir:

There is enclosed an application on behalf of its member banks from the Detroit Clearing House Association for determination that banking is a locally necessary or essential activity in the Detroit area.

All war manpower policies are being observed by the Clearing House banks; every endeavor has been made toward the full utilization of all local sources of labor supply; workers have been employed at their highest skills, and trainable employees have been upgraded wherever possible.

The banks, for which this application is being made, are operating on a minimum wartime work-week approved by the local War Manpower Commission, and wages paid to workers are not below the lower limit of the wage rate bracket established by the War Labor Board for this area.

We shall be glad to have representatives, from each of the banks concerned, present at the time your office gives consideration to this application, and these representatives will be prepared to furnish any information you may desire.

Yours very truly,

ELBERT S. BURNS
President, Detroit
Clearing House Association

from the employers in this area. In September 1943 \$45,343,208.01 was collected from 6,030 employers and turned over to the Federal Reserve Bank for the credit of the U. S. Treasury Department.

Foreign Exchange Controls:

In conjunction with the Foreign Exchange Act, the banks are charged by the Treasury Department with the responsibility for policing and exercising controls over foreign funds. At present \$2,459,254.28 is involved in blocked and licensed accounts.

Services Performed for the Welfare of the Civilian Population:

The banks maintain 191,287 commercial and 643,318 savings accounts involving \$2,028,563,000 in deposits for the individuals and corporations in this area.

Checks and drafts paid in September 1943 amounted to \$4,295,127,000. In excess of 3,150,000 items consisted of payroll checks handled for the benefit of and assistance to war workers.

Cash payrolls put up in September 1943 totaled \$56,988,000; \$508,000 in utility bill payments were accepted; 205,073 cashier's checks, drafts, and money orders totaling \$71,738,000 were issued in September.

In March of this year, the clearinghouse banks voluntarily extended their banking hours at branch offices

(CONTINUED ON PAGE 101)

Savings Bank Investment Practice

J. REED MORSS

MR. MORSS is vice-president of the Boston (Massachusetts) Five Cents Savings Bank and chairman of the Committee on Investments, Savings Division, American Bankers Association. This article is based on studies made by that committee.

THE majority of investments purchased by insurance companies must conform to statutory requirements. However, companies as a rule do not purchase investments which cannot be carried on their books at amortized values. In nearly every state life insurance companies are permitted to carry investments not in default, at amortized values if the security is rated Bbb or better, on June 1, by two out of three rating services. If a security not in default does not qualify on the basis of ratings (if its rating is lower than Bbb) under certain conditions it may be qualified on the basis of yield.

Rules for qualification on the basis of yield have been changing rapidly in recent years. At present a security may be carried at its amortized value if its yield to maturity at the two previous year-ends did not exceed 3.90, plus the yield of fully taxable United States Government bonds of maturity similar to the security under consideration. The yield for December 31, 1943 has been set at 3.5 per cent, instead of 3.9 per cent. For example, if a security has a maturity of 24 years, it could be qualified for amortized valuation if its yield did not exceed 3.9 per cent for December 31, 1942, plus approximately 2.4 per cent, which is the yield of a fully taxable government bond of 1967. The total of 3.9+2.4 equals 6.3 per cent. If the yield exceeded 6.3 per cent for this hypothetical example, the security could not be properly reported at its amortized value.

THOSE who criticize the principle naturally set forth these primary objections:

- (1) The market appraisal as indicated by the quotation may be unintelligent;
- (2) The market may be thrown out of balance by technical and temporary factors;
- (3) To say that a bond is safe at 95-100 and ineligible at 50-60 sounds extraordinarily illogical and denies any probable intrinsic value characteristics.
- (4) The rule could be defeated by purchases at prices above the market.

It is possible that this latter charge is one reason why the national bank examiners require statistical bureau ratings rather than prices as their criterion for eligibility, but ratings, while solving this one objection, bring down a rain of criticism from other angles.

To sum up so far, it would appear that the Massachusetts prudent investment rule, the insurance rule and the national bank rule all lean heavily on the appraisal as shown by the quoted market or the ratings of a group

of research agencies which in most cases work out inevitably more or less in line with the public market. In other words, all three groups courageously maintain that it is not their province to quarrel with the market, but to be guided by it. Let the individuals who dispute the validity of quotations set up in business for themselves and grow rich if they can, but not with trustee funds.

ON THE other hand, savings bankers generally have felt that their problem was peculiar to themselves, that their group was made up of many small units not necessarily qualified by experience or location to deal in national markets. Further, the strict control retained by state legislatures over mutual savings banks made logical a very specific role for investment procedure. The very flexibility and, therefore, the strength of the prudent man theory made it inappropriate for savings institutions. Instead, the various states set up a series of exact yardsticks from which the state commissioner could make up a list of individual securities—names, coupons, and maturities—which could be said to qualify in that state for savings bank investment with no further questions asked or answered. One result was that in good times when earnings were running well a number of borderline bonds became legal at, for them, high prices and then promptly lost their legality when earnings were less and their price was lower. Such is a normal result of a rigid investment plan and could be construed as sewing our most conservative institutions into a pattern of inevitable loss. However, it is another and more definite angle that we would like to examine, namely, what generalizations may safely be drawn from a study of the actual workings of savings bank law as tested against the more widely accepted market value theory. Presumably the savings banks by reason of their very nature wish to be more conservative than the normal trustee or national bank or insurance company. It would seem that a savings bank depositor would be more concerned with the safety of his principal than with the investment return on his small savings.

A COMPARISON between the two above investment theories was not difficult to make. The Investment Committee of the Savings Division, American Bankers Association, prepared a list of all bonds—in this case railroad bonds, not including equipments and maturities short of 1946—which were legal in either New York, Massachusetts or Connecticut, together with the amounts of the issues, their yield to maturity and their rating. This list ran to 292 issues. It showed that of these bonds there was a surprising difference of opinion as to which should be qualified to the legal status. New York State now qualifies \$4,378,730,000; Massachusetts,

(CONTINUED ON PAGE 86)

Ration Banking Tokens

WHEN the new and simplified plan for the two major food rationing programs goes into effect on February 27, three important changes will be made: (1) Each stamp becoming valid on or after that date will have a value of 10 points, regardless of face value; (2) tokens will be given as "change" for stamps; and (3) stamps will have a longer validity period, i.e., approximately 12 weeks.

Unexpired, previously validated stamps will retain their face value until their expiration on March 20.

Tokens will be issued by the banks only in containers of 250 each and retailers must estimate their initial orders in units of this number.



AND WHERE THEY'RE MADE

The pictures on this page were taken at the plant of the Osborne Register Company in Cincinnati, Ohio, manufacturer of the two billion ration tokens to be placed in use the end of this month

★

Closeup of red and blue tokens, above

★

M. P. Pfiel, Osborne president, and G. J. Nealeans, OPA Disbursing Officer, at left, examine a batch of tokens, flanked by millions of tokens

★

Osborne workers, below, left, operate token counting machines

★

Other Osborne employees, below, right, checks OPA ration token records of shipments made to the nation's 16,000 banks



PHOTOS BY ACME

UNITED STATES
CORPORATION INCOME AND DECLARED VALUE EXCESS-PROFITS TAX RETURN **1943**
For Calendar Year 1943

Page 1

or fiscal year beginning _____, 1943, and ending _____, 1944

PRINT PLAINLY CORPORATION'S NAME AND ADDRESS

(Name)
(Street and number)
(City or town) (State)

Kind of business:

Business group serial number (from instruction N)

File Code _____

Serial No. _____

District _____
(Custodian's stamp)

Cash Check M. O.
First Payment

NORMAL-TAX NET INCOME COMPUTATION

Item and
Instruction No.

GROSS INCOME

1. Gross sales (where inventories are an income-determining factor) \$ _____; Less: Returns and allowances \$ _____
2. Less: Cost of goods sold (From Schedule A) \$ _____

A Federal Tax Worksheet

This Federal tax worksheet was designed by the bank division of Reynolds & Company, New York, under the supervision of W. H. BALDWIN.

THE worksheet in the next column is designed as a high spot method of arriving at an estimate of Federal normal and surtax liability.

The figures for earnings and expenses should be those reportable for income tax purposes, thus:

a) Earnings from fully and partially exempt bonds bought at a premium are net after amortization. On fully taxable bonds bought at a premium, reportable income is the coupon unless you have elected to amortize for tax purposes. Please indicate which method you contemplate using for the period covered by this worksheet.

b) Expenses include accruals, Deposit Insurance assessment, depreciation, etc.

c) Profits and Losses on securities sold and Chargeoffs and Recoveries should include only those recognized by the Federal taxing authorities.

Figures used in this worksheet, which is merely a general estimate of tax liability, might well be expressed in reasonably accurate round numbers rather than exact amounts carried out to the last penny.

The section headed "Basic Tax Problem—'Indicated Tax on Net Current Earnings'" is of great importance although it gives a figure which is admittedly academic. It does, however, show the "Basic Tax Problem" of the bank. This indicated tax liability is either decreased or increased in any one year by security profits or losses and net chargeoffs or recoveries.

Any bank which has had a negligible tax liability over the past few years and currently has sufficient net charges to continue a condition of low taxes should be conscious of its "Basic Tax Problem," for in any year when net recoveries or net profits must be shown, the tax problem will take on a sudden new aspect.

If periodic estimates are made in advance, it should be possible to keep the portfolios of banks in proper balance, thus anticipating the impact of income taxes.

Each bank should confer with its tax consultants in reaching tax decisions. This worksheet is merely to facilitate and encourage periodic review.

Estimated Tax Liability for —

EARNINGS

On Securities

Fully Taxable..... \$ _____

Partially Exempt.....

Fully Exempt.....

All Other Earnings..... \$ _____

EXPENSES—Total expenses including Depreciation.....

NET CURRENT EARNINGS (Before Income Taxes)..... \$ _____

CHARGEOFFS, RECOVERIES, ETC.

*Profit or Loss on Sale of Securities..... \$ _____

Net Chargeoffs and Recoveries.....

NET PROFIT (Before Income Taxes)..... \$ _____

Estimated Tax Liability

	Tax	Rate
Net Profit (See above).....	\$ _____	
Deduct Fully Exempt Income.....		
Surtax Net Income.....	\$ _____	%
Deduct Partially Exempt Income.....		
Normal Tax Net Income.....	\$ _____	%
TOTAL ESTIMATED TAX.....	\$ _____	

"Basic Tax Problem"—Indicated Tax On Net Current Earnings

Net Current Earnings (See above).....	\$ _____	
Deduct Fully Exempt Income.....		
Surtax Net Income.....	\$ _____	%
Deduct Partially Exempt Income.....		
Normal Tax Net Income.....	\$ _____	%
INDICATED TAX ON NET CURRENT EARNINGS.....	\$ _____	

* NOTE.—Net long term profit on sales of securities reduced by net short term loss, if any, may be subject to the alternative 25% tax in lieu of Federal normal and surtax.

Heard Along "Main Street," London

BANKING asked MAJOR RALPH L. THOMAS of the Army Finance Department to interview informally any American bankers in uniform whom he might meet in the European Theater of Operations. MAJOR THOMAS, who was assistant cashier of the First National Bank at Pittsburgh and is now with the Eighth Air Support Command, found several bank men working for Uncle Sam. Their stories, as published herewith, were about their jobs, their training, their experiences, their impressions of hospitable England, and life in the service, particularly as it is lived, unspectacularly, by the hard-working members of the Finance Department.

Somewhere in England

ON Lombard or Regent streets or around Piccadilly Circus, London, an American banker these days may often see former colleagues now serving with the armed forces or as civilians working at the big war job.

In fact, it's almost the same as walking down Wall Street in New York, or LaSalle Street in Chicago, or California Street, San Francisco. You come across many friends and many former bankers—so many that it's impossible to list all their names or tell all their stories. But the few related here are typical, and from the sampling *BANKING's* readers can project their own pictures of banking with the colors.

Get 'Em Paid!

STAFF SERGEANT ROBERT G. GORMAN, F.D.,
First National Bank, Reno, Nevada

WE of the banking profession, secure for the most part in the belief that ours was the chosen line of work and that no one could teach us any more about the fine art of handling money, were destined for a rude and somewhat embarrassing awakening upon our exposure to the mysteries of Army finance.

In Finance School we were exposed, in rapid succession, to a sequence of vouchers, reports, schedules, orders, etc., the like of which had never been seen by a hitherto calm and dignified member of the banking clan. Upon completion of our blitz course in finance, we found ourselves in the rather befuddled state of amateur jacks of all trades, and not very good at any of them.

Our period of training in various finance offices would have been doomed to failure except for the patience and superhuman efforts of our instructors. Though on the verge of despair from the time of our arrival to the day we departed, they refused to surrender, and when the smoke and dust had cleared we found ourselves qualified finance men, assigned to the accounting section.

With the proper feeling of enthusiasm, and well equipped with cash books, forms, GI pencils, and other equipment, we reported to action stations in our office. Here, at last, was the opportunity for which we had been preparing. Now we would be able to demonstrate our ability in Army finance. True, the air-conditioned

surroundings of the old days in the bank were missing. We had exchanged our padded swivel chair for a camp stool, our mahogany desk for a folding table. The massive vaults were represented by a rather small field safe, which, when necessity arose, could be carried from place to place. This was a rugged life, but we could take it. We were going, for boasting purposes, to be the best finance office in operation. We were going to finish our day's work in less time than it had ever been done before. In short, we talked a good game of finance.

As time went on, we learned many things, chief of which was how little we really knew about Army finance. We found it necessary to do much research work in order to complete our daily tasks. Always, we were being baffled by some new angle, not before considered. The book of Army regulations, at first only used as a last resort, became our Bible. We wrestled with cash books, schedules, reports, accounts current, and with each repetition, the fog through which we were wandering cleared somewhat. Gone was our self-confident attitude, however, and in its place was a feeling, at first of sheer desperation; to be replaced, slowly, by a feeling of confidence which increased in proportion as did our knowledge of finance.

We are making our comeback, now. As we do our work each day, we find that with each operation we master, there is the desire to learn more. Our viewpoint has changed, too. We no longer work with the main idea of impressing somebody. We find ourselves exerting our best efforts for a different purpose. We think it best described by the motto that was posted on the bulletin board at Finance School, which said "Get 'Em Paid!" At that time, we were more concerned with ways and means to "Get 'Em Figured," and we missed the full significance of those three words.

Now, with our new viewpoint, and our new attitude, we have come to realize our part in the war effort. It is to apply our knowledge of Finance, such as it is, with but one object in view; to "Get 'Em Paid," which object we will attain to the best of our ability.

The Life of an Army Cashier

CORPORAL GEORGE W. MUSHLET, F.D.,
Corn Exchange National Bank & Trust Company, Philadelphia

AT no time while receiving instruction in finance were we permitted to forget that although our primary duties in the Army would be to pay officers and enlisted men, we must be prepared to drop our typewriters and calculators and grab our rifles, should the occasion arise. The Finance Department is never very far behind the front lines and every man must be ready to protect his post. Finance men get the finest automatic light rifle and other defensive equipment.

The name cashier in the Army would be a misnomer in banking parlance. Actually an Army cashier performs most of the duties of a bank teller. In addition, however,

his actual accounting must be closely coordinated with that of the accounting section. He must be in close touch with all other departments of the office, and in this respect has more contact with administrative work of the office than does the bank teller.

The "savings department" in the Army is an account called "soldiers' deposits," where enlisted men are permitted to deposit any or all their pay. These savings can be withdrawn at any time with the permission of the soldier's commanding officer. Interest accrues at 4 per cent but only after a deposit has remained inactive for at least six months.

The exchange of dollars into sterling is an important function of the cashier. In order that dollars cannot find their way into pockets of unscrupulous persons who might use them for personal gain by selling dollar exchange in the black market, and to make certain that dollars don't get into the hands of the enemy, no trades people are permitted to accept American money.

THE cashier is empowered to receive cash for transmission by radio to the United States. He also accepts money from Quartermaster sales and similar sources.

A disbursing officer is personally responsible for every transaction made in his office. All overpayment and incorrect vouchers are charged to his accountability and remain so until the situations have been corrected. Therefore the officer requires a daily accounting from his cashier, for whose financial transactions the officer is as much responsible as for his own. The amounts the cashier has handled must be reconciled with the cash blotter.

Pay day! This is the glamor day of the month for the soldier. Pay, next to mail, is considered the greatest morale factor in the Army, and the day it's handed out is the busiest of the month for the cashier. Although enlisted men are paid by Class A agents, the officers are paid individually and during a period of eight hours as much as \$75,000 may pass through the cashier's hands.

To the average GI, who in addition to other duties, finds himself scrubbing pots and pans in the kitchen each week, members of the Finance Department lead a primrose life. "What are you guys squawking about?" the soldier asks. "You only have to work one day each month. Now as for me . . ."

In London's "Yankee Doodle" restaurant American troops eat American cooking, slip a nickel into the juke box, and cultivate that "back home on Main Street" feeling

WIDE WORLD



The one day to which he refers, although it's a busy one, is our first day of mental relaxation. A feeling of satisfaction pervades the entire office, for our deadline has been met, the vouchers computed and the accounts balanced. Now we have nothing to worry about until the next month—which begins the next day!

Between the first of the month and pay day, a finance office in a camp of 10,000 men juggles 500,000 figures, handles 8,000 separate sheets of paper and checks 3,000 certificates, vouchers and orders containing 600,000 words.

No vice-president in a bank needs greater tact than an Army finance man. He must have the patience of Job and the diplomacy of a statesman. He must be able to explain satisfactorily to two men who have just handed him a per diem voucher for the same trip, why one is receiving \$110 and the other \$8.25, due to the fact that the orders were worded differently or the information on them was not the same. In the next breath he must explain to the major why it's impossible to give him a partial payment.

It's Different in Practice

TECHNICAL SERGEANT THOMAS A. JOHNSON, F.D.,
Peoples Bank & Trust Company, Manchester, Tennessee

WHEN I was interviewed at my reception center for classification I immediately requested assignment to the Finance Department. Though I knew little about Army finance, I felt that inasmuch as I had been in banking for 10 years, I could do my best job for the Army in that department.

My first move carried me to the Finance Replacement Training Center, Fort Benjamin Harrison, Indiana. When classes started I must confess that as the instructors began talking of FSA 1942-43 and FD 74 P 414-01 and the Object Number and the Project Number. I was in the deepest fog. Having worked in a bank and mastered debits and credits, and having made out our corporation income tax return for several years, as well as preparing FDIC and other governmental reports, I had an idea the Finance Department would be a snap, But I had to study harder than ever before.

I was privileged to be a member of the first class to complete the course given men of the Finance Department at Wake Forest College, in North Carolina. It was three months of the hardest work and training. Not only did we have technical training morning, afternoon and night, but we had tactical training every minute we were not in class. When we left Wake Forest we had a complete theoretical picture of Army finance, and I then knew that the Army Finance Department was different from banking. Anybody who thinks the FD men work bankers' hours or haven't had much basic training should see the boys at one of the finance schools march, and work night and day.

Since we have been in the field we have found that practical finance work differs from the theory we learned at school. We have set up our office several times—once in a building that was to have been a mess hall, and again in a place designed for a barber shop. We have always made a practice of working closely with the personnel sections, much as a bank would cooperate

(CONTINUED ON PAGE 99)



Directors As Trust Business-Getters

A Panel-in-Print

BANKING presents the views of three well known trust authorities on how directors can assist trust departments in developing new business. The panel: Louis S. Headley, vice-president, First Trust Company of Saint Paul State Bank, Saint Paul, Minnesota; Gilbert S. Stephenson, director, Trust Research Department of The Graduate School of Banking, American Bankers Association; and Evans Woollen, Jr., president, Fletcher Trust Company, Indianapolis, Indiana. Mr. Headley and Mr. Woollen are members of the A.B.A. Trust Division's Executive Committee.



Mr. Headley!

"... He may be a director in companies which need a transfer agent or registrar for their stock, or which are floating bond issues and require a corporate trustee to hold the security, or which are inaugurating profit sharing or pension plans and want investment and accounting assistance. . . ."

THERE is no way a director of a bank or trust company can more effectively aid and publicize the trust department of his institution than by himself using its facilities. Conversely, there is no way in which he can do it more harm than by failing to use it where fiduciary service is required unless it be by naming a rival institution as executor or trustee.

Ordinarily a director is a man whose judgment is respected in the community. He has been selected largely because of his capacity to

weigh values and to arrive at sound conclusions. While serving on the board of a trust institution he has exceptional opportunity to observe the effectiveness of its trust department. He is in position to know its worth. His judgment, in the minds of the public, will be expressed more positively by what he does than by what he says. If he, with his capacity and opportunity, finds nothing of value for himself or his heirs in trust service, it is fair for others in like situations to assume that there is nothing of value there for them. No director in good conscience can advise others to use the services of a trust department which he has not seen fit to use himself.

Two courses seem open to a director in this unhappy situation. By far the more desirable one is for him to set about the reorganization of the department so that it will command his confidence and justify its use. In a frank discussion with the president he should explain why he has not thus far named the company as executor of his will. Let him be specific. Is it incompetency in administrative officers, inadequate attention to tax matters, lack of facilities for handling real estate, a weak investment department or inferior personnel?

Does he believe that his attorney can do an equally good job with his wife as executor? Is it the cost that deters him?

Either the president will convince the director that his criticisms are ill-founded and new faith will be established, or the director will convince the president and necessary corrections will be made. If neither end is accomplished the only course open to the director is to resign. He cannot with self-respect remain in office, if he sees serious defects which he cannot correct, and the company cannot benefit by a director who has no basic faith in the value of the work in which it is engaged.

But if the confidence of the director is complete, and demonstrated by naming the company in his will, and if his recommendations for improvements are carefully considered and regarded, then the director is in position to be of incalculable help to the institution.

The ways are obvious. He may be a director in companies which need a transfer agent or registrar for their stock, or which are floating bond issues and require a corporate trustee to hold the security, or which are inaugurating profit sharing or pension plans and want investment and accounting assistance.

A director who not only directs the internal affairs of the company but who enthusiastically "directs" new business to the trust department is of the greatest value.



Mr. Stephenson!*

"... Directors are developing trust business by letting people know that they have named their own institutions. In some cases they are doing this publicly, but in most cases privately. . . ."

DIRECTORS of trust institutions are developing the trust business of their institutions (1) by placing their own trust business with it; (2) by letting people know that they have done so; (3) by saying a good word for the trust department to their family, friends, and associates; (4) by giving their institution the names of prospective customers; (5) by arranging for

interviews between trust representatives and prospective customers; (6) by supplying information about prospective customers; (7) by accepting special assignments of business development; (8) by arranging for public presentations of trust topics; (9) by handling criticisms of trust service; and (10) by serving on the trust business development committee of their institution.

*Mr. Stephenson is the author of a series of studies in trust business, including "How Directors, Officers, and Employees Are Developing Trust Business."

The most effective way directors are developing trust business is by placing their own trust business with their institution—that is, by naming it executor and trustee under their wills, trustee of their living trusts or insurance trusts, agent, and in other fiduciary capacities. A number of trust institutions report with gratification and appreciation that they have been named in the wills of every one of their directors or that every director is making use of their trust service.

However, the placing of their own trust business and the trust business which they control is most effective and helpful in business development when it is so placed on normal terms and conditions—particularly as to the trust institution's powers and compensation. The wills of directors (which after their death become recorded documents) set precedents, good or bad, which others follow.

Directors are developing trust business by letting people know that they have named their own institutions. In some cases they are doing this publicly, but in most cases privately.

Directors are proving helpful also in cultivating for their institutions the goodwill of their own lawyers—both their personal attorneys and those of their corporations or firms.

Directors are developing trust business by giving their institution the names of prospective customers. Through business, professional, social, recreational, civic, and other contacts, they hear of new enterprises and of newcomers to the community who may need trust service. They hear also of new turns in the affairs of long-established businesses or of long-time residents, which create needs for trust service.

Directors are especially helpful in keeping mailing lists revised and up to date. They are suggesting new names to be added and old names to be left off. Thus, they are helping the employed staff to focus attention and effort on those who are desirable prospective customers, which concentration is resulting both in the acquisition of profitable business and in economy of effort and money in acquiring new business.

Directors are helping trust representatives to plan interviews with prospective customers. A director may know the proper approach for the trust representative to make—the points to be emphasized, the points not to be mentioned unless the person himself brings them up for discussion, and the general objectives of the estate plan of the person to be interviewed. He may know things about the prospective customer, his family, or his affairs that the person himself will not be likely to mention.

As the trust representative goes further into the estate plan, he may need additional information—possibly about the prospective customer himself—that he may not feel free to seek from any person other than a director or an officer of the bank or trust company itself. It may be information, not of a banking or financial but of a personal nature, that the director rather than the officer would be able to supply. Thus the director, serving both his institution and his friend, the prospective customer, is a liaison, supplying the information essential to the working out of the most practicable estate plan and the rendering of the best trust service.

One way of developing trust business is through public discussions of trust service by trustmen. From time to time trustmen are invited to speak on trust subjects at meetings of civic clubs, chambers of commerce, and women's clubs. Directors, who are members of these men's organizations and whose wives and daughters are members of these women's organizations, are arranging for representatives of their banks or trust companies to speak to these groups on trust service.



Mr. Woollen!

"... He will be a good bird dog only after he has learned what kind of game he is hunting. After he has learned the basic facts about the trust department he is qualified to judge who the prospects are. . . ."

ONE hesitates to discuss the topic "How Directors Can Help the Trust Department" because the authoritative word on a closely related topic has been spoken by Gilbert Stephenson.

What the bank most desires is specific performances of the kind described by Mr. Stephenson. The director is functioning effectively when his word to a prospect leads to an interview between that prospect and a trust representative and then leads on to business. Before a director can do that successfully in very many cases there must be certain precedent fundamental conditions. These paragraphs will be an attempt to discuss several of those conditions.

The first takes a negative aspect. Perhaps in our eagerness for the aggressive development of business we give too little thought to the business which would flow to us of its own volition but for obstacles which we place in the way. Perhaps we have no conception of how many trust appointments are lost because the prospective trustor holds a resentment against someone whose name is identified with the fiduciary. The prospect can't endure the idea of his affairs being subject to review by that individual. The point here is that a good bank director will not tilt too many windmills in the community.

The second of these precedent conditions is that a director shall have a basic understanding of what his trust department undertakes to do and how it goes about it. The director does not need to prepare himself to fill the shoes of the representative, but for the first approach he does need a certain general conception.

The third precedent condition is that the director develop a sensitiveness to new business possibilities. He will be a good bird dog only after he has learned what kind of game he is hunting. After he has learned the basic facts about the trust department as suggested in the paragraph above he is qualified to judge who the prospects are. Whether he finds them will depend upon how close to the surface of his mind he carries this subject as he passes through the other activities of his life. Most directors, with a little encouragement, will do all that the bank management might wish.

Sparklers for Speakers

LAST MONTH this page pointed out that there are generally three major divisions to each speech: Introduction, main body, and conclusion or summary.

We shall now consider more fully the introduction. If the title of a speech clearly indicates the exact nature of the topic, the introduction may sometimes be practically or entirely eliminated. At any rate, a good rule to remember is that the introduction should almost invariably be short. The proposition to be discussed must be trimmed to its precise proportions. There are a number of methods of introduction. Two types will be considered here.

1. Tell a humorous story that is closely related to the subject or to the situation under which you are addressing the audience. Not everyone can use the type of humor the late Will Rogers used one cold January day in addressing a Chicago audience on world political problems. He ambled to the center of the platform, and in a slow drawling voice said, "Well, I don't imagine I have a very high class audience here today. Most everyone who has any money, and is somebody, is in Florida or California this time of the year." On another occasion speaking to an Arkansas audience in a high school auditorium, he opened by commenting that it was the first time he had ever been in a high school.

THE late Knute Rockne, famous football coach of Notre Dame University, once began a speech as follows:

"It is rather awe-inspiring to me to see so many of you here this noon. I did not know there were so many executives in my home town.

"In addressing you, I feel very much like a certain Irishman said he felt when it came to playing football. This chap said he was not much good until he got warmed up and sweaty, and then just as soon as he got to sweating good he was all in."

Not all speakers can introduce humor at the beginning of an address as spontaneously as George Bernard Shaw did when he appeared before a London audience which had applauded him vociferously. He stepped to the front



It takes the old family album to convince some people that the truth is a terrible thing.

As a rule the fellow who blows his horn the loudest is in the biggest fog.

The average American woman is not old at 40. In fact, she isn't even 40.

of the platform ready to give his speech. The crowd was calling wildly for him. As the roar subsided, and in that tense moment of silence, just before he began, a voice from the balcony cried "Blah!" That would have finished many speakers. But not Shaw. He looked up and said calmly, "Brother, I agree with you fully, but what can two of us do against so many?"

If a speaker can tell a humorous story on himself, the audience enjoys it immensely. Humor, well told and related to the topic or to the situation under which the speaker is addressing the audience always provides an excellent beginning. But let us emphasize again and again that the humor must be related to the speaker, the subject or the situation; otherwise, it loses much of its value.

2. A second method of introduction is to announce the subject directly in the first sentence or paragraph. This is one of the simplest and most effective methods of opening an address, and may be used with the humorous story approach mentioned above. The speaker in a few words states his subject directly, briefly, and clearly.

Next month we shall discuss other methods of beginning a speech.

A CITIZEN who went on a tour of a number of shops and retail stores recently reports that the shortage of consumers goods seems to be easing. He didn't find any more goods, but he got a few civil answers.



The country is really in bad shape when you think that 130,000,000 people wake up every morning with halitosis, B. O. and athlete's foot.

The difference between a prejudice and a conviction is that you can explain a conviction without getting mad.

Newspaper headline: "Farmers to Hear Pest Talk." We believe we have heard the same fellow.

He was the kind of fellow who would rather blow his own horn than listen to the Marine Band.

The fellow who laughs last may laugh best, but he gets the reputation of being a dumbbell.

Some old philosopher spoke of the political pot boiling. That never happens. The old apple sauce is just warmed over.

You can't fool all the people all the time, but that doesn't keep some persons from trying.

BANKING NEWS

Frank Simmonds Retires From A.B.A. Staff After Twenty Years of Service

"The Colonel" Widely Known in Banking

Col. Frank W. Simmonds, senior deputy manager of the American Bankers Association, has retired from active service after completing 20 years as a member of the A.B.A. organization.

Frank, as he is universally and affectionately known, joined the A.B.A. on Sept. 15, 1923, as deputy manager of the Association and secretary of its State Bank Division. As secretary of that division he was a constant champion of the dual banking system, unflinching in his devotion to the preservation of state chartered banks.

During his two decades of service he has also devoted himself to the encouragement of progressive bank management. As secretary of the A.B.A. Clearing House Section he promoted the nationwide organization of regional clearing house associations, and as secretary of the Bank Management Commission he directed the preparation of many important studies which have had a distinct influence upon the improvement of bank management. He carried on a program of cooperation with the 48 supervisors of state banks, and beginning with 1924 published every five years a survey of state bank supervision. During the past 10 years he has also served as secretary of the State Association Section. In recognition of his services he was named A.B.A. senior deputy manager in 1937.

During the first half of his career Col. Simmonds was an educator and perhaps it was that background combined with the qualities of a generous heart that made him for many years one of the most popular and effective inspirational speakers in the banking world.

The feeling that bankers en-

(Continued on page 83)



F. W. Simmonds

Savings Conference Is Planned for Cincinnati

Plans are being made by the Savings Division of the A.B.A. to hold a savings conference in Cincinnati on or about March 28.

Although details of the program are incomplete at press-time, the conference is expected to follow the same general pattern as the Chicago savings meeting held early in December.

Bankers in Ohio, Kentucky, West Virginia and bankers in Pennsylvania and Indiana within a 200-mile radius of Cincinnati will be invited to attend.

Charles H. Deppe, vice-president, Fifth-Third Union Trust Company, Cincinnati, is chairman of the local committee on arrangements.

A.B.A. Special Activities Committee Meets in N. Y.

The Advisory Committee on Special Activities met in New York on Jan. 20 and 21 to consider international currency stabilization and to hear, first hand, the report of W. L. Hemingway, president, Mercantile-Commerce Bank and Trust Company, St. Louis, on his visit to England at the invitation of the British Ministry of Information.

Robert M. Hanes, president, Wachovia Bank and Trust Co., Winston-Salem, N. C., is chairman of the Special Activities Committee.

A.B.A. Administrative Committee to Meet

The Administrative Committee of the American Bankers Association will hold its annual mid-winter meeting in New York on Feb. 6 and 7. Among other things, the Committee will fix the date for the 1944 war-time conference and consider the conference city.

Trust Men to Confer in New York, Feb. 8-10

Wiggins to Speak at Annual Conference

Completion of the program for the 25th annual Mid-Winter Trust Conference of the American Bankers Association in New York City, Feb. 8, 9, 10, is announced by Henry A. Theis, division president and vice-president of the Guaranty Trust Company, New York.

Five morning and afternoon sessions will be held at which addresses by experts in the fields of trust business and banking, panel discussions, and brief reports by the chairmen of the division's various committees, will be featured.

Among the speakers are A. L. M. Wiggins, president of the A.B.A.; Joseph Henderson, president of the American Bar Association; Rollin Browne, New York commissioner of taxation and finance; Elmo Roper, market analyst, and Gilbert T. Stephenson, director of trust research, The Graduate School of Banking.

Leon Fraser, president of The First National Bank of New York, who is chairman of the Clearing House Committee of the New York Clearing House Association, will present greetings to the trust men at a luncheon to be given for them by the clearinghouse association on the closing day of the conference. Captain Maurice M. Witherspoon, Navy chaplain, will speak.

512 New Members Join A.B.A. in 4 Months; December Total 169

42 Nebraska Banks Affiliate in a Day

More than 500 banks joined the American Bankers Association during the four-month period Sept. 1-Dec. 31, 1943, it is announced by Robert L. Dominick, chairman of the Association's Organization Committee and vice-president of the Traders Gate City National Bank, Kansas City, Missouri.

With the addition of 169 new members to the A.B.A.'s membership rolls in December, the total of new members that joined the Association in the first four months of its current fiscal year reached 512, more than double the total of 243 banks that joined in the like four-month period of the previous year.

Exceeds Previous Year's Total

Moreover, the 512 total exceeds by 17 banks the total of 495 new members that joined during the entire fiscal year 1942-43, the committee report shows.

Outstanding membership gains were made by the Association in the following states: Indiana, under the leadership of A.B.A. State Vice-president Oscar F. Frenzel; Nebraska, under Regional Vice-president J. O. Peck and State Vice-president Richard W. Trefz; Virginia, under State Vice-president John C. Davis; Minnesota and Wisconsin, under Regional Vice-president Herman C. Matzke and State Vice-presidents N. A. Welle and Max Stieg; North Carolina, under State Vice-president Ben R. Roberts, and Illinois and Missouri, under Regional Vice-president J. W. Minton and State Vice-presidents John H. Crocker and Walter Pettit.

Outstanding among the records of the various Organizations

(Continued on page 34)

Institute Will Meet in St. Louis, June 6-8 42nd Annual Meeting

The third wartime conference (42nd annual meeting) of the American Institute of Banking will be held in St. Louis on June 6, 7, and 8, according to an announcement by President David L. Colby, assistant vice-president, The Boatmen's National Bank of St. Louis. The Statler Hotel will be conference headquarters.

Although the program is incomplete at press time, preliminary plans indicate that the main theme of the conference will center around ways and means of increasing the tempo of the Institute's educational program in order to meet the increasing demands of banks for trained personnel.

Results achieved through the Institute's Job Instructor Training Program will be reviewed and consideration will be given to expansion of the JIT plan to make the benefits of this successfully tested "training within industry" method available to as many banks as possible.

The National Public Speaking Contest for the A. P. Gianini Educational Endowment prizes, a regular feature of the Institute's annual meetings since 1927, will be a feature of the conference.

James P. Hickok, president, Manufacturers Bank and Trust Company, St. Louis, is chairman of the local committee.

512 New Members Join A.B.A. in 4 Months

(Continued from page 33)

tion Committee members and state vice-presidents was that achieved in Nebraska, where, following Organization Committee meetings in Omaha and Grand Island, a total of 42 banks became members of the A.B.A. in one day, of which eight were membership renewals.

The 512 new members gained in the Sept. 1-Dec. 31 period are located in the following states and countries: Indiana 54, Nebraska 48, Virginia 39, Wisconsin 36, Minnesota 36, North Carolina 35, Illinois 31, Pennsylvania 29, Missouri 27, New York 21, Massachusetts 20, Ohio 19, Tennessee 17, Iowa 14, Mississippi 13, Georgia 10, Kentucky 8, Texas 6, Alabama 6, New Hampshire 5, South Dakota 5, Michigan 4, Washington 3, West Virginia 3, North Dakota 2, Connecticut 2, Rhode Island 2, Vermont 2, South Carolina 2, Colorado 2, Kansas 2, and one each in New Jersey, Oklahoma, Florida, Louisiana, Montana, Idaho, Maine, Canada, and Mexico.

The following states now have 100 per cent membership in the Association: Louisiana, Idaho, Nevada, Utah, Oregon, Arizona, New Mexico, and the District of Columbia.

New Talks for Bankers

The A.B.A. Committee on Public Education has prepared several new talks for bankers to give before farmer groups.

Two A.B.A. Membership Workers



State Vice-president O. F. Frenzel,
Indiana



State Vice-president J. C. Davis,
Virginia

Wiggins Urges Banks to Aid 4th War Loan Drive

The nation's 15,000 banks were urged to place their full support behind the Fourth War Loan Drive in a letter sent to all banks by A. L. M. Wiggins, president of the American Bankers Association.

Mr. Wiggins urged the banks to redouble their efforts in the drive, particularly in helping the Treasury place \$5,500,000,000 of the \$14,000,000,000 quota of government bonds in the hands of individual investors.

"Again you have been called upon to carry a major responsibility for the success of this important undertaking," said the letter. "This is no new job to you, nor is the task too great. In each previous effort your performance has commanded the respect and admiration of every thinking citizen. And only last month, Henry Morgenthau, Jr., Secretary of the Treasury, declared:

"The all-out participation of

the banks and bankers of America in every War Bond campaign and in every war finance effort, has been a voluntary service, patriotically performed in the period of our country's greatest need. Everywhere, from the smallest village to the largest city, bankers have been in the forefront, in raising funds to pay for the war and Victory. They have proved good soldiers on the financial front."

"In the coming campaign I urge every banker in every community to redouble his efforts to reach the individual investor. . . .

"There is a tremendous job to do and it will require all your energy, experience, facilities, and skill. This is America's critical hour and this is America's most urgent need. I am confident that you will meet the challenge and accept the responsibility fully, quickly, and with high patriotism. Such action will lead to Victory."

CONVENTIONS

Because of the war and special conditions prevailing at this time the dates of meetings are subject to change.

American Bankers Association

1944	
Feb. 8-10	Mid-Winter Trust Conference, Waldorf-Astoria, New York City
Apr. 16-19	Spring Meeting of the Executive Council, Stevens Hotel, Chicago
June 6-8	American Institute of Banking Wartime Conference, Statler Hotel, St. Louis, Missouri
June 18-July 1	Graduate School of Banking, Rutgers University, New Brunswick, New Jersey

State Associations

Feb. 22	Georgia, Atlanta
Apr. 11-12	Florida, Jacksonville
Apr. 28-29	New Mexico, Santa Fe
May 4-5	Oklahoma, Mayo Hotel, Tulsa
May 6 or 8	Nevada, Reno
May 9-10	Tennessee, Nashville
May 11-13	New Jersey, Pennsylvania Hotel, New York City
May 15-17	Missouri, Kansas City

May 16-17	Mississippi
May 16-18	Texas, Dallas
May 17	Kansas Bankers Clinic, Topeka
May 18	Kansas, Topeka
May 19	New Hampshire, Manchester (Tentative)
May 22-24	Arkansas, Arlington Hotel, Hot Springs
May 24-25	California, Ambassador Hotel, Los Angeles (Tentative)
May 24-26	Illinois, Palmer House, Chicago
June 8-9	Wisconsin, Pfister Hotel, Milwaukee
June 13	North Dakota, Fargo
June 13-14	Minnesota, St. Paul Hotel, St. Paul
June 14-16	Colorado (Tentative)
June 15-16	Michigan, Detroit
June 23-25	Maine, Poland Spring

Other Organizations

May 19	Savings Banks Association of New Hampshire, joint meeting with New Hampshire Bankers Association, Manchester (Tentative)
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New Minimum Hourly Pay Rate

WILLIAM POWERS

MR. POWERS is a deputy manager of the American Bankers Association, in charge of customer and personnel relations.

ANACHRONICAL though it may seem in these days of intense concentration on maximum pay rates and wage ceilings, minimum wage rates have an important place in the current situation. We are reminded of that fact by recent action taken by L. Metcalfe Walling, Administrator of the Wage and Hour and Public Contracts Division of the U. S. Department of Labor. In the past four months Administrator Walling has taken steps toward issuing, in the near future, an order that will set 40 cents as the minimum hourly rate of pay for all bank employees who are subject to the provisions of the Fair Labor Standards Act.

The Act, as passed by Congress and approved by the President on June 25, 1938, stipulated that for the year beginning October 24, 1938 pay rates for employees engaged in interstate commerce were to be not less than 25 cents an hour; that for the six-year period beginning October 24, 1939, the pay rates were to be not less than 30 cents an hour; and that beginning October 24, 1945, the pay rates were to be not less than 40 cents an hour.

ANOTHER provision of the act conferred on the Administrator the authority to confer with "industry committees" and, on the basis of their recommendations, order employers in a given industry to pay hourly minimum rates of up to 40 cents an hour beginning at any time prior to the effective date designated in the act. This authority was given to the Administrator "with a view to carrying out the policy of this act by reaching, as rapidly as economically feasible without substantially curtailing employment, the objective of a universal minimum wage of 40 cents an hour in each industry engaged in commerce or in the production of goods for commerce."

During the past five years the Administrator has conferred with committees representing practically all of the major industries in the country. The recommendations of these committees in most instances have been such that at the present time employers in the majority of interstate commerce activities are, under orders issued by the Administrator, already paying the 40-cent minimum rate.

Action along this line was not taken in the banking field until last Fall, when the 68th industry committee was appointed to investigate conditions in banking, insurance, and other white-collar activities and submit its recommendations to Mr. Walling. The details of that action are recounted in the following excerpt from a recent bulletin issued by D. J. Needham, General Counsel for the American Bankers Association:

"On September 22, 1943, the Administrator appointed

Industry Committee No. 68 for finance, insurance, real estate, motion picture and miscellaneous industries. The industries covered by this committee include, 'the industry carried on by any business . . . performing financial . . . activities; . . .' Banks are clearly within this definition and that their inclusion was intended by the Administrator is evidenced by his appointment of an employer member of the committee to represent the banking industry. The industry committee is a tripartite committee composed of public representatives, employer representatives, and employee representatives. Robert F. Adamson, vice-president, Citizens and Southern National Bank, Atlanta, Georgia, represented banking on the industry committee.

"THIS industry committee filed a report with the Administrator on October 16, 1943, recommending a uniform 40 cents an hour minimum wage rate for the industries covered. A hearing was held on the report and recommendations of this industry committee on November 23, 1943, and although the Administrator has not as yet issued an order putting such 40-cent minimum hourly wage rate into effect, the issuance of such by the Administrator may be expected in the near future.

"Since 40 cents is now the prevailing minimum wage rate in most industries covered by the act by reason of the minimum wage orders previously issued by the Administrator and such minimum hourly rate automatically becomes effective under the law on October 24, 1945, less than two years from now, no other result could have been anticipated from the appointment of Industry Committee No. 68 than making a 40 cents an hour minimum wage rate presently effective for the banking industry. Upon the issuance of the Administrator's order putting such rate into effect, every bank will be required to pay wages at a rate of not less than 40 cents an hour to each employee (except exempt employees) who is engaged in commerce or in the production of goods for commerce."

IF AND WHEN the new minimum rate becomes effective in the financial field, banks now using the variable workweek method of figuring overtime should be particularly careful to avoid unintentional violation of the Administrator's order. An employee working at 40 cents an hour for straight time would receive a minimum salary of \$16 for a 40-hour week. If that employee happened to work 50 hours in one week and, by the variable workweek plan, the \$16 were divided by 50 in order to establish the hourly rate for that week on which payment of overtime would be paid, the resultant figure would be 32 cents an hour — considerably below the 40-cent minimum. Borderline cases of this nature require special attention to make sure that the overtime pay is based on an hourly rate of at least 40 cents.

(CONTINUED ON PAGE 100)

Bank Leaders in War Loan Drive

The banking profession is well represented in the organization that is selling the Fourth War Loan throughout the country.

On these pages are 22 of the 25 bankers who head state War Finance Committees, together with excerpts from a nationwide radio broadcast by A.B.A. President A. L. M. Wiggins on the eve of the campaign's opening.

Banker chairmen not shown are: Cale W. Carson, Albuquerque, New Mexico; G. Burton Hibbert, Providence, Rhode Island; and Walter H. Burke, Pierre, South Dakota.

"ALL of us who take part in this bond selling endeavor should be careful not to underestimate the size of the job," said Mr. Wiggins. "Fourteen billions is a huge sum. The $5\frac{1}{2}$ billion dollars to be obtained from individuals represents the largest financial undertaking of its kind ever attempted.

"On the other hand, we cannot let the size of the job discourage us. The money must be raised, and we have no more choice in the matter than we have in fighting Hitler. Both of these tasks must be accomplished no matter what sacrifice is involved. If our individual quota seems high, we have only to remember that our armed forces also have a large quota.



Ed. Leigh McMillan
Brewton, Alabama



Walter R. Bimson
Phoenix, Arizona



W. W. Campbell
Forest City, Arkansas



Clarence H. Adams
Denver, Colorado



Henry T. Bush
Wilmington, Delaware



John A. Reilly
Washington, D. C.



HARRIS & EWING

President Wiggins, left, with Under-Secretary of the Treasury Bell before his War Bond broadcast from Washington

"In this drive we are both salesmen and missionaries. We are selling the best security on earth, backed by the vast productive capacity of America. War Bonds have the rare quality of being an investment on which the return is guaranteed. As missionaries we are also selling post-war economic security in exchange for today's surplus income. We are helping others to help themselves over the difficult years ahead.

"This is the time for wrath—outright honest anger against Hitler and his war lords, the Quislings, and the treacherous aggressors of Japan who have brought such suffering upon the entire world. I think we have at last begun to hate every force that is responsible for this disaster, and we are ready to turn this hatred into fighting with all that we possess: life, labor, dollars—even ourselves and our souls are on the altar.

"Only the faint-hearted and the faithless will dwell upon the extravagance and high cost of war. We cannot point an accusing finger at our Government in this regard if we as individuals indulge in careless spending, unnecessary travel, and luxurious living. If our hearts are right we will sacrifice every wasteful expenditure even though the tap room, the night club, and all places of amusement go into bankruptcy. Nor can we in justice and honesty complain about high prices. It is astonishing that they have been held so well in check in view of the vast volume of money in circulation. Every effort of the Government to control inflation should have our wholehearted support. Indeed we should have the

STOFFEL

FARR

HARRIS & EWING



UNDERWOOD & UNDERWOOD

W. W. McEachern
St. Petersburg, Florida



JOHNSON

John A. Schoonover
Boise, Idaho



W. Laird Dean
Wichita, Kansas



STONE

S. Albert Phillips
Louisville, Kentucky



BERKELEY-INTERNATIONAL

F. Winchester Denio
Boston, Massachusetts



A. T. Hibbard
Helena, Montana



W. Dale Clark
Omaha, Nebraska



W. Randolph Burgess
New York, New York

courage to urge the Government to a greater zeal in a firmer resistance against all inflationary demands. For inflation is the deadliest enemy of all—soldier, worker, business man, consumer and banker. The money that

we put into War Bonds is by all odds the best check on inflation. The dollars which we do not spend but invest in the War Loans are the best protection against inflationary explosions which could destroy us all."



GOODRICH

C. T. Leinbach
Winston Salem, N. C.



A. E. Bradshaw
Tulsa, Oklahoma



LAINSON

Nathan Adams
Dallas, Texas



Charles L. Smith
Salt Lake City, Utah



FADIAN BACHRACH

Levi P. Smith
Burlington, Vermont



WALTERS

Reno Odlin
Tacoma, Washington



BLANK & STOLLER

Walter Kasten
Milwaukee, Wisconsin



Fred W. Marble
Cheyenne, Wyoming



Plenty to read and eat (counter in rear) in the lounge at the American Center, Sydney, Australia

A Letter from Australia

Sydney, N. S. W.
THE photographs on these pages, taken at the American Center, Sydney, N. S. W., came to BANKING from R. S. Brittain, manager, British and Foreign Department, Bank of New South Wales.

The center, writes Mr. Brittain, is a very popular hospitality spot run by the American Society, and "may be of banking interest to yourselves and your readers as an example of what bankers 'down under' are trying to do for your boys in some small recognition of what they are doing for us."

"Your journal is always full of interest to us," Mr. Brittain continues. "Many of our problems are similar to those encountered by members of your Association and their views and experiences are of great value to us."

"In the South Pacific area we encounter one war-

time problem which differs somewhat from those you have met in the States. Thousands of your gallant boys in the Army, Navy and Air Force in this area are faced with unfamiliar currencies and many of them are experiencing, for the first time, the complications of foreign exchange.

"The banks in the South Pacific area early evidenced a sense of real responsibility towards these lads. In our own case, as the oldest and largest bank in the area, we saw to it that all our 700 branches were equipped and authorized to facilitate the inward and outward remittances and other banking requirements of members of the U. S. Forces.

"Pocket cards giving the local currency equivalents of dollar currency were distributed freely. In addition we provided after hours banking facilities at hospitality centers and American National Red Cross

The reception desk



A corner of the canteen





A Sydney park as seen from American Society's hospitality center for U. S. servicemen

PHOTOS BY W.A. WEBBER

Clubs wherever needed.

"On account of manpower shortages—nearly 70 per cent of our pre-war male staff are in the forces—these special facilities are staffed on a voluntary roster and run on a service basis. They provide for members of the U. S. forces full banking facilities after hours at night and on Sundays and holidays.

"This, apart from the convenience, is a real advantage as it ensures that the boys obtain full official rates of exchange for their transactions. One of the most pleasing features has been the number of personal contacts made between our officers and fellow-bankers from the States."

The Bank of New South Wales facility at the American Center is shown on the cover of this issue.

If you recognize anyone in any of these pictures, be sure to let us know.



U. S. soldiers and sailors at the canteen entrance

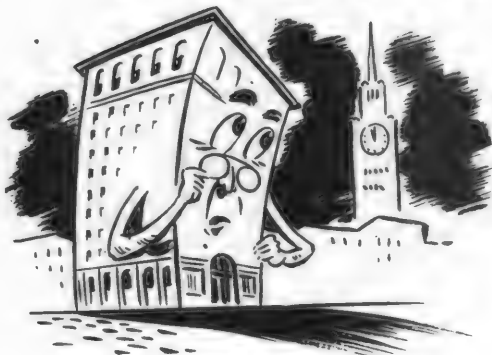
Members of the American Center committees—l. to r., F. W. O'Toole, Bank of New South Wales; Mrs. A. C. Aubry; Maurice Samuels; Mrs. Maurice Samuels; Mrs. R. E. Sterrett; V. W. A. Barnett, Bank of New South Wales; and Mrs. C. Shinquin. H. C. Parish, at right, was almost left out

Bank, Military and Canteen representatives—l. to r., Mr. Brittain; Sir Alfred C. Davidson, K. B. E., general manager, Bank of New South Wales; Brig. Gen. Thomas E. Rilea; W. R. Hauslaib; and F. H. Carlson, president, American Society



'Twas the Night Before Monday*

IDA T. LEMONT



TWAS the night before Monday and all through the bank
Rose such noise and confusion, such clatter and clank
Surely no one would dream 'twas the dignified place
Where, with lofty deportment and elegant grace,
Certain frock-coated gentlemen handled finance
And where solemn-eyed clerks looked at all checks askance.

*But alas, now the place was all topsy-turvy!
In the middle of the floor, in a mad hurly-burly,
Whirled the block in a frenzy of bibulous glee.
'My debits and credits have gone on a spree!
I've just lost a penny or maybe 'twas three!
I'm unbalanced,' he shouted. 'But who cares? Not me!'*

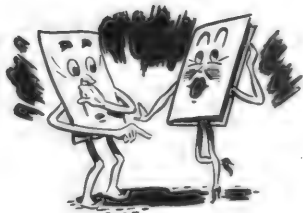
The keys of the coin machines banged with such clanks
The clatter was worse than a battle of tanks,
And out on the floor with a whoop and a shout
Quarters, nickels, and cents, dimes and halves rolled about.

The vault door flew open and out poured a stream
Of neat brand-new statements in envelopes clean.
After one look around with a shriek of delight
They all leaped in the air—screamed "Oh boy, what a night!"
The checks were all mixed in the worst of confusions—
Tom's consorted with Ann's, Joe's paired off with Susan's.

*The trust accounts first proudly looked down their noses
And showed their disdain by their arrogant poses.
Then old Gen'ral Ledger stamped up and reviewed 'em,
He snorted and swore, he heckled and booed 'em
'Til the trust funds threw off all their gilt-edged investments
And joined in the whoopee with aid and abetments.*

**A shy personal loan boldly seized the occasion
To treat a rich check account like a relation—
Whispered coyly 'mid blushes to equal a rose
"Don't look now, dear, but really, your service charge shows."
The check account haughtily sniffed with a sneer
"Don't you think you're a little bit out of your sphere?"
The loan tossed her young head, "Poof, you've nothing on me,
'Cause I'm full of glamorous interest, you see."**

*Then from up on a table all trimmed patriotic
A voice shouted through din now becoming chaotic
"Who'll buy a War Bond? We give away free
A Mrs. or Miss or a gold P.O.D."
"Aw, pipe down," came a growl from the old savings files,
"You've stolen my stuff; I'll confess that it riles
To see a young upstart like you get the dough
When I was the fav'rite from years long ago."
"The trouble with you is," the bond made reply,
"Those long red withdrawals of yours have gone by.
They're frightf'ly old-fashioned, uninteresting too.
Go modern like me; wear the red, white and blue."
"Is that so?" snarled the savings. "Well, I'm serving the nation;
I'm doing my bit to help keep down inflation."*



* For apologies, see page 3.

A groan near at hand put a stop to their clatter.
 "For heaven's sake, tell them to stop all that chatter!"
 Cried an adding machine with its hands to its head
 "Doesn't anyone see that I should be in bed?
 I've had too many listings; oh, man, am I sick!
 My sub-total's sub-normal. Hey, bring something, quick!"
 Then he gurgled and burped and he bubbled with froth—
 Nine, nine, nine; nine, nine, nine; nine, nine, nine; he spewed forth.

Embarrassed to tears, he was heard to observe
 He was sorry he'd lost all his Federal reserve.

Up spoke Gen'ral Ledger to some haughty greenbacks:
 "Let's go slumming, my friends, on the wrong side of the tracks."
 "Oh, let's," cried the bills, "though of course we'll be sure
 To let everyone know that we think it a bore."
 "Quiet!" quoth the general. "Come, friends, I know of some tramps
 —'Though only by name!—hrrmp, known as rationing stamps.
 They come from the queerest of lunch carts and joints
 And they play an odd game, but it does have its points.
 They never use money, of course, for the chips,
 But they go in for something called—pardon me!—strips."
 "Oh, how shocking!" the bills cried with delicate blush,
 "A safe distance we'll keep, sir, but see them we must."
 So off they went, ducking like sly fugitives,
 Just to see how the great unwashed other-half lives.

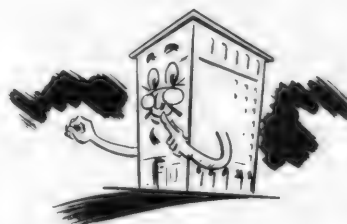
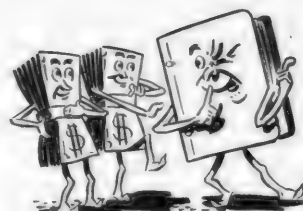
Meanwhile the excitement waxed heavy and loud.
 All the bills burst their bands and flew 'round in a cloud.
 Two young bonds kicked quotations around like a ball,
 Ran away from their pars, never heeded their call.

Then a yell and a roar came from somewhere out back;
 A strange figure appeared—oh, alas and alack!
 It was old Gen'ral Ledger, his dignity torn,
 Just as naked and bare as the day he was born.
 "The robbers!" he roared 'twixt a snort and a bleat,
 "They've fleeced me of even my auditor's sheet!"

No one heeded his woe for a sound pierced the riot—
 A key turned in a lock. Now all became quiet,
 So hushed and so still as in through the portal
 There came into view such a queer-looking mortal.
 His eyes were enormous, they'd give you the chills;
 And his fingers kept twitching as if rifling bills.
 He wore on his breast a badge labeled "Bank Clerk."
 He took one look at the mess and then went to work.
 First he scooped up the coins, laid the bills in a drawer,
 Gave the ledger a sheet just as clean as before;
 Then discovered 'way up on the top of the clock
 A recalcitrant penny to balance the block;
 Worked so hard and so fast by the first stroke of nine
 There remained of the havoc not even a sign.
 Then he took from his pocket his very best smile,
 Adjusted it nicely and murmured the while
 "Good-morning," "Your badge, please," or "Kindly endorse it,"
 "Identification? We have to enforce it."

So once more the bank was austere and refined,
 A temple with financial business enshrined,
 Where dignity reigned very chaste and serene
 And where anything else would have seemed a bad dream.

But off in the background if you but lent an ear
 You'd detect a soft giggle, a half-muffled cheer,
 Still in faint tinkling laughter these echoes you'd hear;
 "We have wonderful weekends. Glad you're not here!"





1. Some New York State Bankers Ass'n meeting delegates



2. President E. Chester Gersten speaking at opening session

People You Know . . .



3. A. B. A. Membership Clinic in Omaha, Nebraska

Upward of 1,100 bankers and guests attended the 16th annual mid-winter meeting of New York State Bankers Association in New York City last month. Seated on speakers' dais with President Gersten, in picture No. 2, are Messrs. Marshall, Rothstein, White, Sproul, Niebank, Norton, and Edie

★

In the period Sept. 1-Dec. 31, 1943, 512 banks joined the American Bankers Association. The Omaha Membership Clinic, shown in picture No. 3, contributed substantially to this result. L. to r., Messrs. Stocker, Dolpher, Stewart, Conklin, Mitten, Lauritzen, Koelling, Milliken, Dominick, Trefz, Dunkerley, Ridge, Wirtz, Hallas, Vickery, Stout, Gillett and Peck

★

Members of Women's Public Speaking Club of Cleveland Chapter, A. I. B., take an active part in War Bond campaigns; speak before high school and other groups. Auditions by Wayne Mack, production manager, WGAR, proved several members qualified for broadcasting assignments. Mr. Mack is shown with club members, in picture 4 below; Irene Bagley, club coach, at his right, and Jennie M. Ostrom, chairman, Chapter's Publications Committee, at his left

4. Radio audition of Women's Public Speaking Club, Cleveland Chapter, A. I. B.





PHOTOS BY CUSHING

Heart of Midtown New York — Waldorf-Astoria at left-center

On the Calendar . . .

Two A. B. A. conferences scheduled for New York during February—(a) The Administrative Committee will hold its annual mid-winter meeting at Waldorf-Astoria Hotel, Feb. 6 and 7. Chief business: fixing date of 1944 wartime conference and deciding conference city. (b) Twenty-fifth Mid-Winter Trust Conference, also at Waldorf-Astoria, Feb. 8-10. Diversified program on topics of vital interest to banks has been arranged

★

Executive Council of A. I. B. holds its mid-winter meeting in Memphis, Jan. 30-Feb. 1. Education program, including Job Instructor Training institutes, and current nationwide bank blood donor campaign are up for discussion

★

American Institute of Banking's third wartime conference (12nd annual meeting) is scheduled for St. Louis, June 6-8. Purpose: transaction of essential business, election of officers, and discussion of bank personnel training

★

Edgewater Beach Hotel, Chicago, will be host to Commission on Country Bank Operations on Feb. 21 and 22. Subcommittees engaged in studies of bank operations will report



JAMES SAWDERS, FROM CUSHING

Mississippi River boat near Memphis, loaded with cotton

Michigan Avenue, Chicago, from the Art Museum



St. Louis's Union Station and its landscaped plaza





The Country Banker

"Home Front" Manual

Important Meeting

Brown Replies

Putting "The Home Front" Merchandising Manual to Work

"THE HOME FRONT," merchandising manual produced by the Association's Commission on Country Bank Operations, was sent to the membership last month by Chairman K. J. McDonald. Mr. McDonald is president, Iowa Trust and Savings Bank, Estherville, Iowa.

Members of the Commission and a large group of key country bankers who have had wide experience in organizing meetings and developing local farm programs will lead in calling meetings in their own districts to study the program outlined in the manual and to develop methods for applying to their local needs the philosophy and the results of the poll of farmer opinion therein set forth.

The programs developed by the Commission representatives and key bankers will be made available to other groups.

The Association has provided additional material to the bankers to assist in the promulgation of their programs. This includes: (1) breakdown of farmer opinion of banks and the PCA; (2) what the farmer looks for when he borrows money; and (3) comparative PCA-bank loan record for the respective districts.

Association officials emphasize the long-range value of the merchandising program outlined in "The Home Front" manual, stating that the material will be as good a year from now as it is today.

This is the first major undertaking of the Commission on Country Bank Operations which was created last September by President A. L. M. Wiggins to study the operating problems of country banks. It is composed of leading country bankers in the principal agricultural producing states.

Commission on Country Bank Operations Meets in Chicago, February 21-22

THE Commission on Country Bank Operations will meet in Chicago on February 21 and 22 to hear reports of its sub-committees. Discussion will center around cost analyses, government bond portfolios, "The Home Front" merchandising manual, banking studies, and the Commission's future program.

Deputy Manager Brown Replies to Jones Charges

IN REPLY to an article in the *Louisville Courier-Journal* on November 22 by Larry D. Jones, vice-president, Federal Intermediate Credit Bank of Louisville, entitled "Farmers' Cooperative Loan Associations Are Supplemental, Not Competitive, to Private Banks," A. G. Brown, deputy manager of the American Bankers Association, presented the position of the banks on PCA subsidized credit in the *Courier-Journal* on December 23. Excerpts follow:

"The American Bankers Association has not at any time opposed what Mr. Jones calls 'a wholly farmer-owned cooperative credit system for farmers.' That is just what we want the Production Credit System to be. But after 10 years it is still far from being farmer-owned or farmer-managed. The Government still owns over three-fourths of the total stock of the PCA's. So long as the Government has this investment no farmer can remain a director or an officer of a PCA without the consent and approval of the Farm Credit Administration, . . . part of the U. S. Department of Agriculture. . . .

"The crux of the controversy is found in the competitive practices of PCA's and their artificial interest rates made possible by use of free government capital.

"PCA's should charge rates of interest that include the cost of their borrowed funds and provide an adequate margin for operating expenses and the absorption of losses. This is merely sound business practice. They should not be permitted to use the taxpayers' money to underbid their competitors and absorb their own losses. Nor should they be provided with free advertising and merchandising assistance by other departments . . .

"The issue is not a question of minimizing the PCA's or of the dependability of credit, or any other of the red herrings that Mr. Jones has employed. It is a question of whether PCA's continue as government-subsidized institutions masquerading as cooperatives or whether they are allowed to become true cooperatives — owned and controlled by farmers. . . ."

To emphasize the position of the A.B.A. on the right of farmers or any other group to organize and operate cooperative institutions, Mr. Brown quoted a statement of the Association issued in January 1943 (February 1943 BANKING) and a recent statement by President A. L. M. Wiggins (October 1943 BANKING). . . .

In Defense of Protesting

C. W. FISHBAUGH

MR. FISHBAUGH is assistant cashier of the Security Trust and Savings Bank, Shenandoah, Iowa.

PROTESTING has been a bone of contention for many years. Some bankers regard it as an obsolete practice, holding that it serves no purpose. At present there is a campaign to change the protest law so that only items on which protest is specifically requested could be protested. This would mean the virtual elimination of protesting as a protective measure. Bankers should certainly object to any such change.

Protesting is of more importance to the small country bank than to the large city bank. To the former, protesting gives prompt notice of dishonor. The country bank has a rather slow transit clearing; most checks take at least three days each way. A notice direct from the payee bank saves these three days—time in which a crook might be apprehended.

Legally, the purpose of protesting is to hold the persons secondarily liable and is proof the item has been presented, so that if action is brought, the certificate will take the place of witnesses in establishing evidence. This might never be necessary, but for that matter, a burglar alarm is seldom necessary. Protesting serves another purpose in that it curtails the number of bad checks. If each check issued costs the drawer \$2 or more, he is much more likely to limit his bad check writing. Many banks have a 25 cent charge on each insufficient funds check returned. This is not charged for profit; rather, it is a nuisance tax and is aimed at retarding the practice. The protest serves the same purpose yet it is far more ethical and is an additional safeguard to the endorser.

SEVERAL reasons are given for changing the protest law: (1) It is a nuisance; (2) it is an expense; (3) it is old and outmoded; (4) it generates ill will. This reasoning is mostly unsound and the statements made as facts can be shown to be shallow and incorrect.

(1) Any extra work is a nuisance; service charges, balancing, and countless other details could be listed as nuisances, but they certainly are necessary.

(2) Regardless of who receives the money, a \$2 charge for protesting is profitable and I would scarcely call it an expense.

(3) It is an old law, but I cannot agree with the present school that regards any item or law over 50 years old as obsolete; age has nothing to do with usefulness.

(4) It has at times generated ill will, but this was largely caused from improper explanations. Too many bankers have been willing to do the protesting but not the explaining. There should be little ill will; the only party damaged in any way is the maker of the check. We have found that 90 per cent of our protests have been on the habitual over-drawer and bad check writer. This type of customer brought the penalty on himself.

As Fair As Other Fees

Fault finding with protest is due more to a lack of willingness to face facts than to the protest itself. Fault can be found with any banking service from service charges and exchange rates to interest. The protest fee is as fair as any of these. Most of these charges are forced on the customer while the protest is placed only on those who abuse the check writing privilege.

Only in the event of forgery or improper identification does the protest fee fall on anyone but the maker. In such a case, surely the time saved in receiving the notice is worth the protest fee. At present we are passing through a period of good times when jobs are plentiful and most checks are good. With these high wages there is less incentive to swindle, and this has encouraged many merchants to be negligent in taking checks. Protesting is their safeguard, for only by prompt discovery can swindling be minimized.

SOME criticism is made of the variation in rates between states on the protest fee. I can see little objection to this. All bank fees vary, few counties even have a uniform service charge schedule. Uniformity is very desirable but is only a minor branch of regimentation. We are fighting a war against regimentation, so lack of uniformity in rates should cause little furore. As long as there are 48 states, laws will differ.

Protest fees have been retained by many banks. Numerous cases are being quoted to show that this is illegal. No doubt these cases are authentic but this should have little effect on the merits of protesting. Either protesting is all right or it is all wrong—there is no middle road.

As to compensation, what does it matter if the bank does not receive the fee? Most bankers would like to raise their employees' wages but are handicapped by WLB regulations. Many of our most competent employees have turned to more profitable work at a time when we need efficient help as never before. For many years we have offered a \$2 bonus for each forgery discovered and we have found it profitable from a monetary standpoint as well as for added alertness. Protest offers the same incentive.

Protesting should not be condemned! The law is sound, it is profitable and it is fair. Country bankers need this protection. Let's not overlook the first fundamental of protesting: "Protesting is for protection." All the arguments in the world cannot change this.

How Georgia Banks Help Farmers

J. P. CULPEPPER

A member of the Agricultural Commission, American Bankers Association, Mr. CULPEPPER is also vice-president and cashier of the Bank of Alapaha, Georgia.

UNDER the pressure of war, we cannot afford to relax our interest in or activities toward greater food production and in supporting our Government in the sale of War Bonds. Certainly every rural banker should be interested in helping our farmer customers get their financial house in order, and many other phases of agricultural activities, not merely this year, but in the post-war years, when American agriculture will surely be called upon to restock our own depleted reserves, and supply in large measure the food needs of other nations.

It, therefore, seems that the skeletonized program for 1,000-point rating now being offered by the A.B.A. is the irreducible minimum to which we should subscribe. The new program embraces: (1) Food-for-Freedom in its many and varied aspects; (2) sale of War Bonds to farmers; (3) encouraging farmers in building adequate reserves for the present, and post-war years; (4) rendering such other services to agriculture as may be applicable to the needs of any particular community; (5) agricultural committee activities of the state associations, and (6) the county key bankers' part in making the program work. Let's consider briefly some of the activities under each of these points in which we may render worthwhile service.

(1) Food-For-Freedom:

While our nation has not yet been hungry because of food famine, it is becoming increasingly more difficult to obtain many of the staple foods to which we have in the past been accustomed; this is especially true with meats, particularly in our larger cities. In 1944 we shall no doubt see this problem of food shortage become much more acute. Farmers are day by day finding it more difficult to obtain the actually necessary labor. Many of those now on farms are being called into our armed forces. It will be most urgent that every farmer receive all support possible in producing maximum food crops on such lands as may be cultivated. All sections are not suited to growing of the same crops. Certain areas are well adapted to fresh vegetables, others to fruits, some to livestock and livestock products.

But every agricultural section can and must contribute something to the national whole. Certainly every farm should have its home garden for immediate family needs, with a surplus for canning. The rural banker can make no finer contribution, indirectly, than in lending encouragement to those projects on a commercial basis wherever possible, or by encouraging home gardens. With few exceptions, the average rural banker assumes an indifferent attitude in such matters.



Joe Hawkins, farmer of Floyd County, Georgia, has developed 43 acres of improved pasture that carries 58 head of cattle as a part of the conservation program on his farm in the Coosa River soil conservation district

He takes the position that his principal function is that of financier to those who ask his aid, and that he is not called upon to assume the role of educator in any revolutionary program. But we are living in a day of change; when practices of today are not those of yesteryear; when the practices of tomorrow will not be the same as those of today; hence, we as custodians of community funds, must lend guidance in the most worthwhile use of those funds. Our attendance upon farm meetings is too infrequent, our community activities not aggressive.

We neglect the greatest medium at hand for advertising our facilities for community service—the columns of the newspaper. The banker will find himself a welcome visitor in farm gatherings if his presence is motivated by the desire to be of community service; and his message to that end through his daily or weekly paper will be eagerly read by his large group of farmer friends.

(2) War Bonds:

I dare say no phase of our war effort has received more earnest attention than the sale of War Bonds; most assuredly no group of American business men have worked harder for the success of the program than the bankers. Without their wholehearted assistance the War Loan drives would have fallen far short of their final goals. And certainly it is true that farmers have contributed much to the success of the three War Loan drives. But, notwithstanding their liberal support, I believe many millions of dollars' worth of bonds were sold through the insistent efforts of the banker, and would not have been sold if we had taken a less aggressive attitude.

The millions of idle dollars in the banks constitute one of our most dangerous threats of inflation. We must continue to siphon off this idle purchasing power. War Bonds sold today to our farmer customers will serve the two-fold purpose of holding down inflation through loaning the funds to the Government, and of building the reserves which will be so badly needed in post-war years. This automatically ties in with our third point:

(3) Building Post-War Reserves

All banks in agricultural areas today are suffering from a dearth of loans. Farm income for 1943 reached the highest peak in history. Many thousands of farmers who for years have struggled with long-term debts, have at one stroke canceled the mortgage, and not infrequently have had sizable deposits left over. Our banks are bulging with deposits of farmer customers, and we would welcome sound loans.

But there is another side to the picture. It follows as surely as night the day that the high prices now being received for livestock and farm products cannot continue indefinitely. There will surely be a receding of income not many years hence, and the farmer who is burdened with old debts contracted prior to and during the war may well be in danger of losing his farm. It seems to me that the banker can well afford to encourage the liquidation of debts today and the investing of any surplus funds in War Bonds against the day when materials can be had for farm improvements and expansions. Such a program will materially reduce the severity of the depression, or business recession, if you prefer to term it that, that lies ahead. It is not at all improbable that the purchasing power of the dollar 10 years hence will be far greater than it is today; and the farmer who pays debts now, pays them with fewer dollars, measured in terms of farm products, than if he should wait five years, or 10; and dollars invested now in bonds may have the two-fold advantage of gaining the interest accumulation, plus the higher purchasing power they may have at maturity.

(4) Other Services To Agriculture

Under this heading the banker's activities are limited only by his energy and vision. The possibilities for community service are almost unlimited. I should like to dwell briefly on those that need and are receiving attention in Georgia:

Soil Conservation: No farm program within my knowledge has paid greater dividends upon the effort expended than that of soil conservation. Georgia has approximately 37.5 million acres land area; of that amount, between 8 and 10 million acres has been seriously eroded, much of it to the gully stage, being wholly unfit for further field crop use. Since 1937, 20 soil conservation districts have been organized, embracing 115 counties. In these 20 districts, 11,320 farmers have made farm plans, through the soil conservation service, covering 2,374,700 acres. A survey recently made by the Soil Conservation Service, covering 447 farms in 17 districts in 105 counties revealed some startling facts; in every instance, increased income, more food and feed crops, more livestock and better diversified farm practices were revealed.

The facts gleaned from the 447 farms surveyed reveal in small measure what is being done on all of the 11,320 farms.

The results are undisputed. Can any banker afford to overlook this important field of farm aid, when every instance reveals more prosperous farmers, richer and more valuable land? Most assuredly, the soil conservation program is the best plan yet devised for checking erosion and reclaiming wasted or abandoned land. It should be put into practice in every agricultural county throughout the nation; the local banker can have a very large part in such a program.

4-H Clubs: Georgia bankers have for years taken keen interest in the activities of the 4-H Clubs, for the reason that these boys and girls come from every town, hamlet and community of our state. The training gained from 4-H projects fits them for the more active part they will later play in their community life. We have extended financial aid to hundreds of their projects, and losses have been practically nil. We have watched them grow until today they represent an army 110,000 strong in our state.

Their major program for 1943 was to raise enough funds through sale of War Bonds and stamps to build the liberty ship *Hoke Smith*. They raised enough funds for four ships, total bond sales amounting to \$9,517,479.35. Their next objective for the year was to produce food to fill the ship. Final figures have not yet been determined, but partial returns show the following accomplishments:

A TOTAL of 49,583 4-H members completed garden projects in 1943, producing 29,416,200 pounds of vegetables from those gardens.

A total of 48,715 4-H Club members participated in the 4-H Club "Food-for-Fighters" activity, a project by which each club member pledged to produce the food equivalent for one soldier for one year. Products included in this project were beef, pork, poultry, eggs, sweet potatoes, Irish potatoes and peanuts; 38,972,450 pounds of these products were produced in the "Food-for-Fighters" activity. Members participating in hog and cattle projects grew 30,422 animals. In one county, over 1,200 members each produced a ton or more of food products. The objective of the club members of that county was to grow the food equivalent to the food needs for one year of every person in service from that county.

These are only partial results of their activities. Can one point to a more determined group of young Americans anywhere? Organized labor, as well as mature farmers, can get a lesson in 100 per cent Americanism from these fine young people, and they deserve the support of every banker in every community in which they operate.

Better Farm Records: The "Triple A" has gone far toward making the average farmer record-minded, because records must be presented in claiming government benefit payments; but farmers generally have become tired of the routine and seemingly unnecessary red tape in farm programs, and a stronger stimulus than benefit payments is needed to impress them with the necessity

(CONTINUED ON PAGE 94)

A Program for Country Banks

A BROAD outline of bank agricultural policy and procedure entitled "A Program for Country Banks —1944" is contained in a booklet just published by the Food-for-Freedom Committee of the American Bankers Association and sent to members, county agricultural agents, farm leaders, directors of extension and deans of agricultural colleges. It is a reminder to country bankers of things they should keep foremost in their minds in their dealings with farmers in the coming year.

The program outlined in the booklet is subdivided under these main headings: (1) Support farmers in their production of the food and fibre needed to win the war; (2) help farmers build financial reserves; (3) find out where local farmers are getting their credit; (4) consider what can be done to get more agricultural loans; and (5) improve method of handling agricultural loans; and, finally, (6) preview of the 1944 farm production effort.

President A. L. M. Wiggins in the foreword points out that "The farm production goals for 1944, exceeding those of any other year in many commodities, require us all—farmers and all who deal with farmers—to put our shoulders to the wheel and see that these home front goals shall be achieved."

"The Food-for-Freedom Committee . . . has prepared this manual," Mr. Wiggins says, "and is placing it in the hands of every bank executive to remind us of our responsibility in the continuing war situation. County key bankers are urged to familiarize themselves with its contents, for they have great responsibilities in the 1944 farmer-banker programs of their associations."

THE booklet is illustrated with charts and graphs and has a four-page insert of pictographs. The illustrations point up the text material by showing visually what is required by way of increased production in several essential wartime foods and farm products.

The charts show comparative data on loans to farmers by banks and competing agencies and trends in agricultural prices and production during World Wars I and II.

Included in the book is a "Nine-Point Action Program of Agricultural Credit" which follows:

- (1) Study your community, its farmers and the productive capacity of its farms, to determine how individual farmers can best maintain or expand production at the least cost and risk in keeping with the Food-for-Freedom program.
- (2) Cooperate with the agricultural agencies in obtaining as much as possible of the needed production from those farmers who can produce with the least cost and risk.
- (3) Provide adequate financing for these farmers and for other farmers who can safely be financed.
- (4) Encourage more intensive use of the good land now in cultivation as the first step toward increasing the production of essential food products.
- (5) Exercise care that loans are not made for making

investments in buildings and other permanent improvements on that land which will likely go back to less intensive use when the present emergency is passed.

(6) Encourage farmers to adjust their farm business to the labor force and equipment available. Many farm businesses are too small for efficient operation. Credit might well be extended to expand such businesses to the point of maximum efficiency, provided this does not involve too large a debt load for the farmer, or too great a risk for the banks.

(7) Discourage extravagant expenditures, the accumulation of unnecessarily large inventories, and the purchase of farm land at inflated prices, or the purchase of farm land with down payments that are too small.

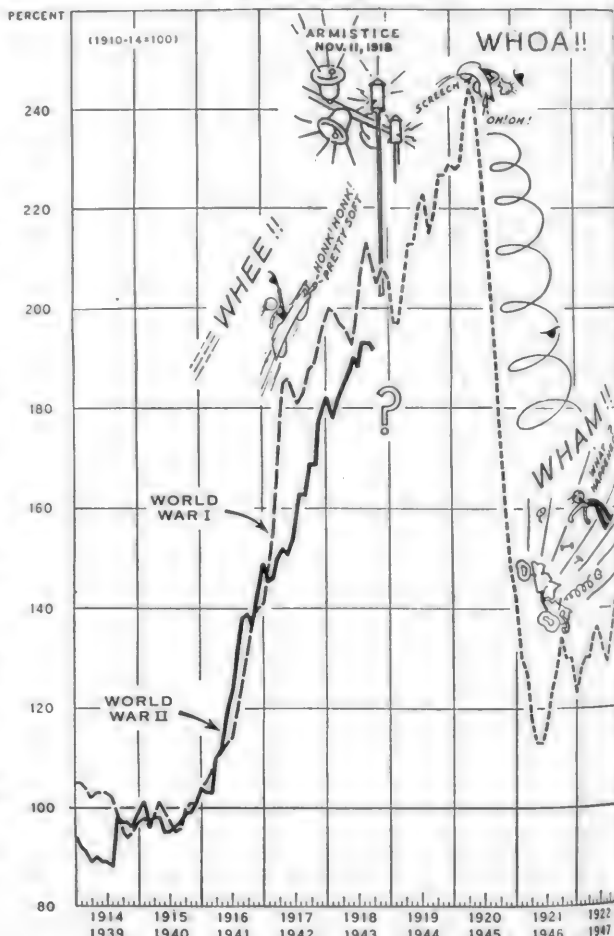
(8) Discourage borrowing to create or maintain excessive inventories of livestock or machinery that might depreciate rapidly if prices decline.

(9) Discourage borrowing to buy farm land at inflated prices; and keep loan values on farm land at levels that are justified by long-run prospects.

This chart is from the manual

BUREAU AGRICULTURAL ECONOMICS

PRICES RECEIVED BY FARMERS
WORLD WARS I AND II



You can't tell
a war worker
by his hat



Are bank men war workers?
Unquestionably. And so are bank women.

YOU sell War Bonds, handle loans to war plants, take care of local merchants' wartime ration accounts, keep a far-larger-than-peacetime volume of deposits and withdrawals moving smoothly and pleasantly across the counter...

Working on these war jobs, thousands of bank men and women thank their lucky stars for Recordak... that tireless, versatile, accurate banker's assistant.

Two examples illustrate how Recordak helps bank workers function normally in these abnormal times...

In bookkeeping departments, Recordak Single Posting makes posting a once-a-day operation.

Statements are handled not three or four times as in dual posting, but just once. Much tiresome, time-consuming work is eliminated—and naturally the likelihood of error is greatly reduced.

In transit departments, Recordak "writes" transit letters photographically... which is to say completely, with no possibility of copying errors... and six times faster than by hand.

And throughout the bank, wherever Recordak is at work, it saves labor, saves machines, saves stationery and space—and money. Recordak Corporation, Subsidiary of Eastman Kodak Company, 350 Madison Avenue, New York, N. Y.



ORIGINATORS OF MODERN MICROFILMING **RECORDAK**

Merchandising County Bank Services

Sources for New Loans

A MID-WEST country banker, who admits that the lending field is somewhat arid in spots, says there are still many opportunities to discover and develop profitable new business. To be specific, he enumerates these 15 likely sources:

Borrowers' financial statements will reveal loans carried by other sources which may be acquired with the proper approach;

An active board of directors may work on personal contacts;

Contact farm machinery dealers and arrange to finance new and used equipment purchases on credit;

Cultivate the livestock trader for information and new business leads:

Attend livestock sales and auctions to build an acquaintance among buyers and sellers;

Keep in constant touch with real estate agents and dealers in building materials;

Work closely with suppliers and contractors to acquire repair and improvement loans:

- Cooperate with fire insurance agents;

Offer consumer financing arrangements to dealers selling consumer goods;

Watch all community developments in local newspapers for leads and service opportunities;

Visit business and professional men and keep informed on their problems:

Try to make the "tough" loans as well as the easy ones;

When it is necessary to say "No," try to help the applicant become a good future borrower:

Employ an "outside" man to develop agricultural loans, or at least institute an "outside" program; and

Recover loans lost to competing agencies.

Land Clearing

A PROGRAM of land clearing of local farm lands, financed by bank loans in many cases, and operated through rental of county-owned bulldozer equipment is explained by J. W. Miller, vice-president, FIRST AMERICAN NATIONAL BANK, Port Townsend, Washington.

Practically all Northwest farms, it should be remembered, have been reclaimed from logged-off land. The clearing of an acre costs from \$200 to \$300 using stump powder and heavy stump-pulling equipment. When farm production was first hit by manpower and equipment shortages a few years back, making conventional clearing operations prohibitive, the Jefferson County Board of Commissioners, composed of farmers and farmer-minded individuals, decided to purchase a bulldozer to lend-lease to area farmers to encourage clearing operations. They felt that such a program would not only increase farm land value, but that a definite return would accrue to the county in increased taxes on assessed valuation of farms serviced.

While it is generally conceded that the purchase and

operation of this equipment by the county was illegal, it was, however, permitted to continue through the toleration of the taxpayers. While complaints were raised by certain contractors and equipment owners, no suit was ever brought to force the issue.

When the program was launched, the fee set for the use of the bulldozer was \$15 per day, which included the cost of fuel and the driver's wages. Six days was the maximum allotted to any one individual. In time, due to a rapidly mounting deficit, the fee was increased to \$28 per day.

Due to limitations placed on the use of equipment no large operations took place and requests for financial aid were confined to a series of small farm loans, frequently on statements only. While the program is still popular with landowners and the demand for this unique service is constant, it is likely that through pressure in certain quarters, the program may be terminated this year.

Tax Help

THE DEPRECIATION work sheet (illustrated below) was devised by the FIRST NATIONAL BANK of Lacona, New York, as an aid to local farmers in figuring the inventory of depreciable property together with the essential information on cost and estimated life. It was used very successfully last year, and in March with the Victory tax in effect, the bank anticipates that accurate depreciation figures may save farmers many an over-payment. W. M. Sprague, cashier, states: "We have found that if the farmer will furnish the information called for on this work sheet, it is a very simple matter to fill in the depreciation schedule on the tax return."

(CONTINUED ON PAGE 52)

FARM DEPRECIATION WORK SHEET

NOTE—Probable useful life of property should always be estimated from date property was acquired, NOT from the manner of acquisition.

Date farm was acquired _____ Cost \$ _____
(If inherited, enter market value on date acquired as cost)

Revised edition March 1, 1912. of second edition.

Apportion total cost of farm among the following items and estimate the probable life of the depreciable items.

If major improvements have been made since acquisition such as new barn or a whole new roof enter date, kind of improvement and estimated life. **DO NOT LIST** ordinary small repairs.

Cost	Estimated Life
Land	Not depreciable
Dwelling House	Not depreciable
Tenant House	
Barn No.	
Barn No.	
Barn No.	
Fences	
Drains	
Total Cost	

MACHINERY AND EQUIPMENT

Enter the larger pieces of farm equipment such as tractors, trucks and automobiles (farm share only).

Year	Order	Year	Order
1990	1	1990	1
1991	2	1991	2
1992	3	1992	3
1993	4	1993	4
1994	5	1994	5
1995	6	1995	6
1996	7	1996	7
1997	8	1997	8
1998	9	1998	9
1999	10	1999	10
2000	11	2000	11
2001	12	2001	12
2002	13	2002	13
2003	14	2003	14
2004	15	2004	15
2005	16	2005	16
2006	17	2006	17
2007	18	2007	18
2008	19	2008	19
2009	20	2009	20
2010	21	2010	21
2011	22	2011	22
2012	23	2012	23
2013	24	2013	24
2014	25	2014	25
2015	26	2015	26
2016	27	2016	27
2017	28	2017	28
2018	29	2018	29
2019	30	2019	30
2020	31	2020	31
2021	32	2021	32
2022	33	2022	33
2023	34	2023	34
2024	35	2024	35
2025	36	2025	36
2026	37	2026	37
2027	38	2027	38
2028	39	2028	39
2029	40	2029	40
2030	41	2030	41
2031	42	2031	42
2032	43	2032	43
2033	44	2033	44
2034	45	2034	45
2035	46	2035	46
2036	47	2036	47
2037	48	2037	48
2038	49	2038	49
2039	50	2039	50
2040	51	2040	51
2041	52	2041	52
2042	53	2042	53
2043	54	2043	54
2044	55	2044	55
2045	56	2045	56
2046	57	2046	57
2047	58	2047	58
2048	59	2048	59
2049	60	2049	60
2050	61	2050	61
2051	62	2051	62
2052	63	2052	63
2053	64	2053	64
2054	65	2054	65
2055	66	2055	66
2056	67	2056	67
2057	68	2057	68
2058	69	2058	69
2059	70	2059	70
2060	71	2060	71
2061	72	2061	72
2062	73	2062	73
2063	74	2063	74
2064	75	2064	75
2065	76	2065	76
2066	77	2066	77
2067	78	2067	78
2068	79	2068	79
2069	80	2069	80
2070	81	2070	81
2071	82	2071	82
2072	83	2072	83
2073	84	2073	84
2074	85	2074	85
2075	86	2075	86
2076	87	2076	87
2077	88	2077	88
2078	89	2078	89
2079	90	2079	90
2080	91	2080	91
2081	92	2081	92
2082	93	2082	93
2083	94	2083	94
2084	95		

	Kind	Purchased	Cost	Estimated Life
Enter here the original cost of ALL OTHER MACHINERY AND EQUIPMENT not listed separately above, purchased in each of the last ten years. DO NOT INCLUDE cost of small tools of short life.				
Year	Purchased	Original Cost		
19				
19				
19				
19				
19				
19				
19				
19				
19				
Total Cost				

Depreciation 10% of total cost)
Based on estimated average life.

LIVESTOCK

If reporting on a cash basis, take depreciation on livestock (not on livestock raised). If only a few animals, list separately, group each year's purchases together. For those on the accrual basis depreciation on livestock listed on the schedule is automatically taken care of through the valuation of the assets.

[illegible]

You are entitled to deduct depreciation in figuring your tax. In order to compute the correct depreciation deduction, you will need the information listed on this form. Fill it out carefully. It will save you time and money.



This Little House went to Market—OFTEN

PROBABLY you have known a house like this one—a regular “hoodoo.”


It's attractive, inviting, and easy to sell. *But it keeps coming back on the market.*

“Certainly it's a swell layout,” the owners all say—but it eats its head off. These operating expenses have got me strapped. Besides, something always needs fixing—or replacing. I just can't afford to keep the place.”

You know it is important that, especially during the first few years after a mortgage is granted, the house-owner have no big, unforeseen expenses. They may be more than he can take.

One way to help avoid them is by having good operating equipment—like a General Electric kitchen—installed in the house when it is built. This gives the owner a well-planned, efficient kitchen that is economical to operate.

After the war, when there will be a great deal of new home building, and when electrical equipment will again be on the market, this thought will be worth remembering:

 **If the equipment *in* the house is good, the mortgage *on* the house is better.**

Everything Electrical for After-Victory Homes

GENERAL  ELECTRIC

Merchandising (Continued)

Livestock Program

MORE THAN 400 Jersey heifer calves, yearlings, bred heifers, and young cows were imported last Fall into the Whiteville, North Carolina, trade area through the good offices of the local WACCAMAW BANK AND TRUST COMPANY. As a result of this program, aiming at diversification of farm income, an additional 100 or more dairy type cattle were brought into the area by farmers.

The bank quite frankly admits that the venture had something to do with the "mother of invention," for back in 1940 a cattle loan went sour and a thin and hungry herd went "on the books." In selling these to

tobacco farmers, the bank stirred considerable interest in diversifying crops with livestock. Shortly after some 15 registered Hereford bull calves were allotted the county by the North Carolina Bankers Association and State Extension service at the request of local farmers and business men, and the program was well underway.

Now through contacts with the vocational teacher or county agent, or personal contact in the field, the bank lines up likely prospects for its lend-lease bull program and its non-profit sales. The former plan works along the usual agreement whereby a farmer receives a bull for a two or three year period and must lease its service when requested for the usual fee.

Henry B. Wyche, assistant cashier, states: "If you
(CONTINUED ON PAGE 54)

SCIENCE HELPS FARM PRODUCTION

SCIENTISTS do not like to have premature discussions about their work in the public prints, since the results may not be worth talking about or may be quite different from original expectations. They prefer to have the answer, rather than to make promises they cannot be certain of fulfilling.

Here are some typical examples of projects directed by the Agricultural Research Administration of the U. S. Department of Agriculture which have had an important influence on production.

Poultry and Eggs. Attainment of war goals for poultry and egg production has been greatly aided by poultry nutrition research to determine satisfactory substitutes for the usual feeds. Facts uncovered by ARA became the basis for widespread readjustments in the poultry feed situation, without lowering production of meat and eggs.

Average annual production increased from 89 eggs per hen in 1934 to 129.2 in 1943. This was materially assisted by researches leading to a reduction in poultry mortality from pullorum disease. A new antigen, known as T. G. Antigen, was developed for the detection and elimination of pullorum infected chickens or "carriers" of this widespread and often fatal disease. Its use conserves poultry without increasing risk of infection, since it practically eliminates the non-specific reactions and is as dependable as the antigen formerly used in detecting infected birds. The large-scale testing carried out with the old type of antigen and the new has been a most important factor in protecting poultrymen against loss by pullorum disease.

* * *

Tomatoes. Much of the tomato crop land of the United States is so infested with the wilt fungus as to prevent profitable production of this vitamin-rich food. A new variety, the Pan America, far more resistant to fungus wilt disease than any hitherto available, has been developed through agricultural research. It comes from a cross between the domestic Marglobe and a wilt-resistant wild tomato from Peru, offering a practical and

economical solution of the problem.

* * *

Feed. Feed problems of cattlemen and dairy farmers have been answered in part by developing methods of range improvement and new varieties of oats. The carrying capacity of native pastures and ranges in the southern Great Plains has been increased by the control of sagebrush through mowing. Experiments showed the feasibility of the latter method, as well as the proper season of the year to mow and the frequency with which it should be done. Mowing in two successive Junes eradicated nearly all of the sagebrush plants, the survivors having only a trace of vigor, and more than doubled the stand of grass. Grazing experiments are demonstrating that beef production is materially higher on the mowed pastures.

The Agricultural Research Administration, in cooperation with the Iowa and Wisconsin agricultural experiment stations, has developed five varieties of oats that are highly productive and resistant to both stem and crown rusts, and to loose and covered smuts. These varieties—Marion, Hancock, Boone, Tama, and Vicland—marked up an outstanding record in 1942 in comparison with other standard rust-susceptible varieties. As a result, they are estimated to have occupied about 95 percent of the Iowa oat acreage in 1943, and only slightly less in surrounding states.

* * *

Phosphate for Cows. Phosphate drinks for range cows are a new idea for supplementing their diets in phosphorus-deficient areas of the Gulf Coast states. Addition to drinking water, for example, of enough disodium phosphate or enough de-fluorinated tripled superphosphate to give the animals the phosphorus they need in a form they can use most readily has been found to add as much as 30 per cent to the calf crop and 100 pounds to the weight of the calf as a yearling. The method is being widely used in mineral-deficient areas to increase beef production. Phosphorus may also be introduced into cattle diets by other means.

CALL BURROUGHS

WHEN YOU NEED "MECHANIZED ACCOUNTING" INFORMATION...



You are welcome to the current information in the mechanized accounting methods library of your local Burroughs office. Or, when new legislation or other developments create new accounting problems for you, ask for special assistance from your Burroughs representative, who can apply his knowledge of machines, applications and procedures to help you meet your changing requirements.

WHEN YOU NEED CARBON PAPER • ROLL PAPER • RIBBONS...



Burroughs is your best source for supplies for all types and makes of business machines. These supplies are manufactured to specifications that Burroughs' years of experience have proved give best results. Burroughs Discount Purchase Plans save you 10% to 40%; permit you to order as little or as much as you need at any one time—thus assuring freshness and eliminating storage problems.

WHEN YOU NEED MECHANICAL SERVICE FOR YOUR BURROUGHS...



Today, when maintenance is especially important, Burroughs is providing efficient service to more customers than ever before. If you have not already done so, protect your Burroughs machines by arranging for periodic inspection, lubrication and adjustment at a moderate annual cost. All service is rendered by factory-trained, factory-controlled service men—is guaranteed by Burroughs.

Norden Bombsights

Burroughs is manufacturing and delivering the famous Norden bombsight—one of the most delicate and precise mechanisms ever devised.

New figuring and accounting machines are also being produced by Burroughs for the Army, Navy, U. S. Government and others whose needs are approved by the War Production Board.

Information service... supply service... mechanical service—in war as in peace, you can depend on Burroughs to provide the best. For prompt, efficient service, call your local Burroughs office, or write Burroughs Adding Machine Company, Detroit, Mich.

Burroughs

ADDING, CALCULATING, ACCOUNTING, BILLING AND STATISTICAL MACHINES
NATIONWIDE MAINTENANCE SERVICE • BUSINESS MACHINE SUPPLIES

Merchandising (Continued)

ship stocker cattle into your territory, you will find at times cattle will be injured, or may develop shipping colds in transit and will not be suitable for distribution for two or three weeks. But, if you have the cooperation of a farmer and his pasture facilities, one of the biggest headaches will be eliminated." There are other headaches, to be sure, in buying and selling cattle, admits Mr. Wyche, but his bank has found a practical solution.

Some time ago when two car loads of stocker heifers and feeder steers were to be shipped into the county, the question of risk involving some \$2,000 was raised. "Since the rest of our business community would benefit from this activity as much as the bank," Mr. Wyche advises, "we hit upon the idea of spreading the risk among several businesses. We obtained signatures and guarantees from 15 firms to an agreement 'to protect the WACCAW BANK against loss in buying and reselling at net profit one or more carloads of cattle to the amount indicated opposite my name.' The net loss on this initial sale was \$35.30—charged to experience."

After trying both private sales via the drawing method and public auction sales, Mr. Wyche holds the opinion that the latter is, by and large, more satisfactory. Rather than trusting to luck under a drawing system, the farmer at an auction backs his judgment with his money and is generally better satisfied with his purchase. In this instance, however, he is certain of fair treatment since the bank refunds the net profit, if any, on the total lot on a pro rata basis. Auction buyers have received from 9 to 15 per cent refund.

The bank, together with its guarantors, also sets up a \$581 fund, administered by a committee, for use in financing any worthwhile self-liquidating agricultural project.

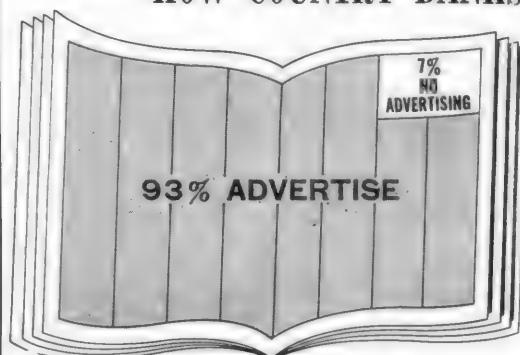
Experience in handling more than 350 calves and yearlings, according to the bank, indicates that 1.8 per cent, or 72 cents per head, should be added to the selling price to cover feed for from three to six days in transit and distribution. Labor and materials amount to 1.2 per cent, or 48 cents per head. Loss and expense due to sickness, death and injury amount to 2.1 per cent, or \$1.33 per head, and average buying expense about \$2.12 per head, or 4.1 per cent of the delivered cost.

In summary, Mr. Wyche notes: "The costs of handling and distributing these cattle amounted to 9.2 per cent of the delivered cost. For example, if a cattle dealer in Texas or Tennessee delivers to your town a group of yearlings for \$50 each, our experience indicates that you must sell for an average of about \$54.65 to break even."

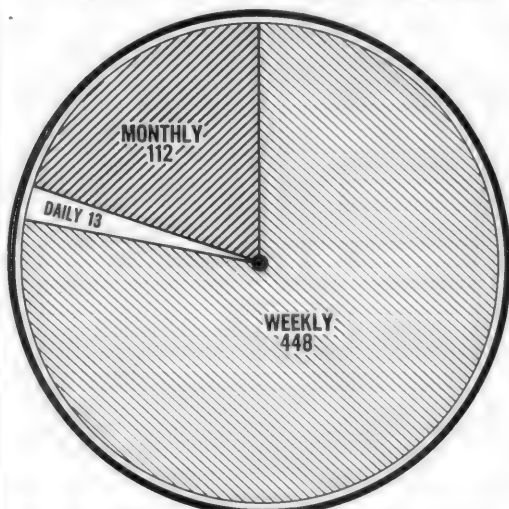
Pig Chain

COOPERATING with local 4-H Club workers, the LIMESTONE COUNTY BANK of Athens, Alabama, embarked on a program which at the outset required the purchase of 28 registered pigs—one offered free to each 4-H Club in the county. These pigs are bred under the usual project arrangement, but the litter is distributed among other members, who in turn repeat the process. So far, we hear, this "pig chain" now in the second or third generation is a great success.

HOW COUNTRY BANKS



Some 917 banks were covered by this study. Those currently advertising on a more or less regular schedule were 760 or 93 per cent of the total; newspapers leading all media



The preponderance of banks scheduling advertisements weekly is due primarily to the fact that only weekly newspapers cover their trade area. Only a few large cities were included

Radio Talks

AS KEY-BANKER for Frederick County, Virginia, Harold G. Brown, vice-president and cashier of the SHENANDOAH VALLEY NATIONAL BANK of Winchester, has developed a series of interview broadcasts on the local station's "National Farm and Home Hour." The station, like many others, offers free broadcasting time to various agencies and services dealing with farmers.

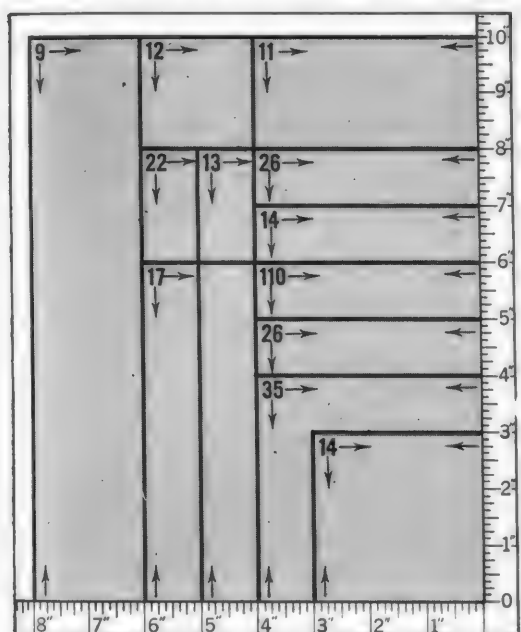
The four most recent broadcasts arranged by Mr. Brown included two personal talks on farm lands and the farmer's part in the War Bond program. The third was an interview with the president and a girl member of the local 4-H Club, discussing this organization's role in war work. On the same program, a homemaker and blue star mother made a short talk urging farm women to participate in the war program. The most recent program featured a talk by one of the lead-

ARE ADVERTISING

These charts show how 760 representative country banks are currently using newspaper advertising space.

Out of the total, 149 banks are concentrating on departmental services (savings, banking-by-mail, checking accounts, trust, safe-deposit, etc.); 135 on general service—goodwill; 128 on agriculture; 94 on patriotic themes; 82 on loans; 78 on timely and seasonal subjects, and 33 on items of local interest. These figures represent an average month. During a War Loan drive emphasis on patriotic theme would dwarf other categories.

The chart below is the key to size of advertisements used. Figures in shaded area are number of banks; For example: nine banks use an 8x10 advertisement; 12 use 6x10, etc.



ing farmers of the area on "Why I Am Opposed to Farm Subsidies."

From his experience with broadcasting, Mr. Brown advises: "Any programs I arrange in the future will be on the basis of getting people living on farms to put on the programs. I believe that such programs are more interesting to the farm radio audience and are far more effective than to have non-farm people telling them what they should or should not do."

Service Charges in Small Banks

CAN YOU still do business at "these prices"? Can you justify an indifference to cost analysis? Can you, in the interest of sound banking, continue the practice of loss-leader services? Don Ricksecker, president of the WESTPORT BANK of Kansas City, Missouri, appraises these points with logic:

"The grocer today is getting \$4 for a bushel of Jonathan apples. A year or two ago he sold this bushel for \$1. He must get more for the 1944 bushel because the fruit costs more and his expenses are higher. Most bankers are servicing checking accounts at last year's prices, while earnings of small banks are steadily going down as their deposits increase.

"Every successful banker today has higher expenses. He may be smart enough to hold down all other expenses, but on the same earnings income taxes and FDIC charges continue to grow, so that total expense after taxes is higher.

"Income from loans is decreasing. The borrower, who formerly paid nearly all of the expenses of banks, does not need to borrow, wants a lower rate, or has become a depositor, thus further increasing all sorts of expenses. Perhaps he is borrowing from government agencies. Expenses are higher, income is lower. The grocer knew what to do about it. What should the banker do?

"Well, he can invest in government notes at $\frac{3}{8}$ or $\frac{7}{8}$ of 1 per cent, or in government bonds at 2 per cent. But the cost of deposits in small banks frequently is as much as 5 per cent. Nevertheless, he should put nearly all of his surplus over his reserves into government bonds and notes. He will be lucky if his average return will exceed $1\frac{1}{2}$ per cent—but he will have more income. Figure the cost of your deposits by this simple method. Divide your expense for 1942 into average deposits for 1942. If the result is 3 per cent, this means that \$1,000 in deposits for one year will cost you \$30. Know your cost of money.

"In January 1943 the suburban banks of Kansas City increased service charges, estimated to keep profits at pre-war levels and not to increase net profits. As the average balances in accounts increased, our service charges for the month decreased. In other words as deposits increased, profits declined.

"The Kansas City schedule was:

1942 (Old Schedule)	Cents	1943 (New Schedule)	Cents
Maintenance fee.	50	Maintenance fee.	50
Deposits and checks.	3	Deposits and checks.	4
Checks deposited.	1	Checks deposited.	2
Credit for \$100 deposit.	17½	Credit for \$100 deposit.	10

"This change increased service charges 50 per cent. One bank with 5,000 checking customers collects \$4,000 monthly or 80 cents per month, \$9.60 for a year average for each checking customer. Another collects \$2,500 monthly for 3,000 accounts, or about \$30,000 a year. Notice this: the service charges are about equal to net profits after reserves for taxes. Without service charges there would be no profit whatever in some of these banks. A good bank must make money to deserve the continued confidence of depositors. Many banks should increase service charges now.

"The grocer no longer sells sugar, coffee, oranges or other items at a loss or at cost. He gets a reasonable profit on everything he sells. I think every service in a bank should yield a small profit. Checking accounts have been often a loss-leader for banks. Surely the grocer and banker are both intelligent business men. *If checking accounts in your bank are serviced at a loss, why not increase these charges now?*"

How Corporate Suretyship Came to America

"GOING THE BOND" of another was a common, though extremely dangerous practice, even before the reign of King Solomon. Then, as now, the odds were against the private guarantor as illustrated by the severe losses which he often had to bear.

The eventual result of such losses was "corporate suretyship", which has had its greatest growth in America. Companies were formed to assume, for a reasonable premium, the responsibilities of acting as surety.

A pioneer in this field was American Surety Company of New York, incorporated in 1881 and beginning business April 14, 1884 as the first company formed in the U. S. to write surety and fidelity bonds exclusively. The eminent

lawyer and statesman, Elihu Root, argued the company's qualifications to guarantee "bonds and undertakings" under a State law enacted

June 13, 1881, and Chief Justice Noah Davis, of the New York Supreme Court, issued the order confirming those qualifications.

Today corporate suretyship is universally recognized as the soundest kind of suretyship, indispensable in the increasingly complex business and professional relationships of men.

Since 1929, when it acquired the New York Casualty Company, American Surety has also played a prominent part in the development of casualty lines. The service of these companies is available through more than 12,000 agents and branch offices in 38 cities of the U. S.



ELIHU ROOT



NOAH DAVIS

MODERN TYPES OF SURETY BONDS

Fidelity
Public Official
Bankers Blanket
Building and Loan and Blanket
Insurance Companies Blanket
Savings and Loan Blanket
Railroad Blanket
Blanket Position
Administrators
Executors and Trustees under Will
Receivers and Trustees in Insolvency
Other Fiduciary and Probate
Court or Judicial
Contract Performance
License, Franchise and Permit
Customs and Internal Revenue
Lost Security
Discovery
Federal Official
Forgery
Brokers Blanket
Commercial Blanket
Securities Forgery
Guardian
Contract Bid
Miscellaneous Surety

AMERICAN SURETY COMPANY

1884 - *Diamond Jubilee Year* - 1944

NEW YORK CASUALTY COMPANY

Home Office: 100 Broadway, New York

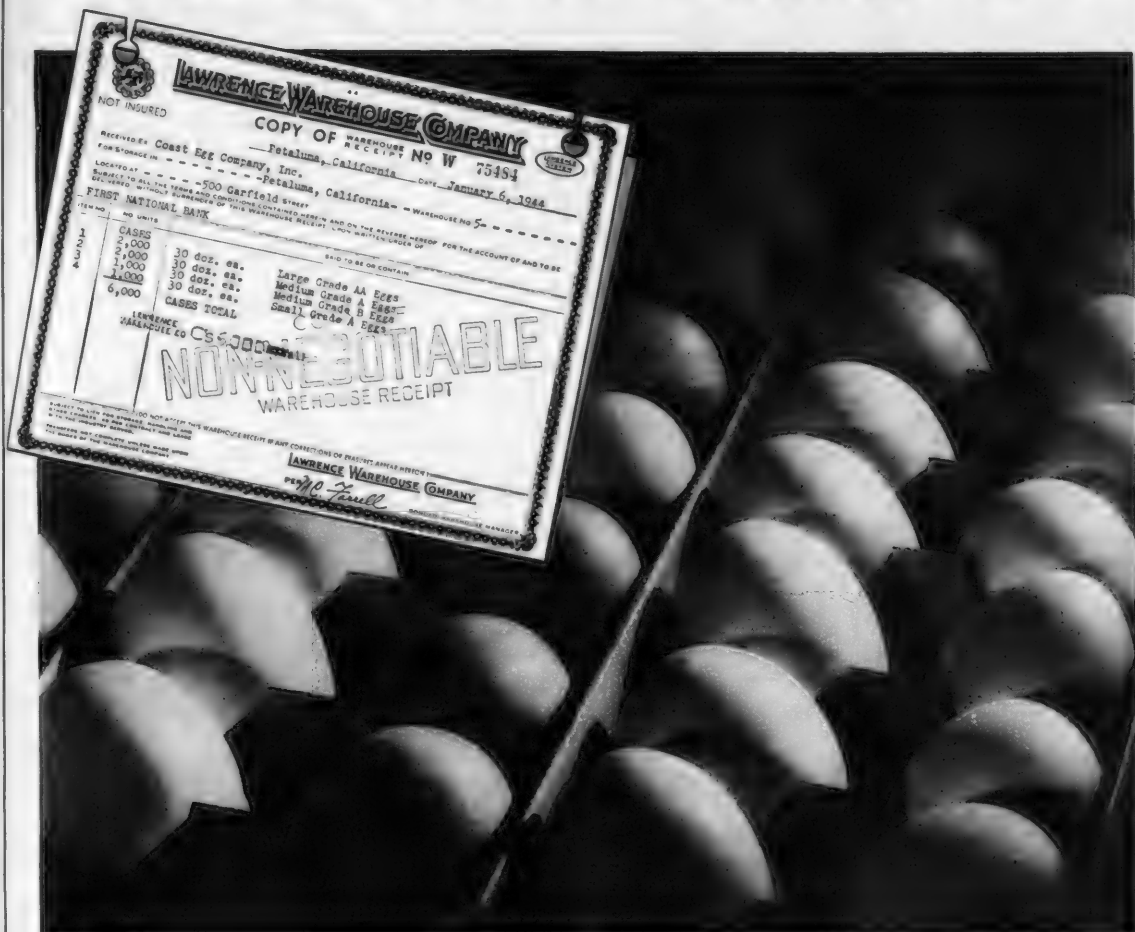
FIDELITY ★ SURETY ★ CASUALTY

Canadian Surety Company
Head Office: Toronto

Compania Mexicana de Garantias, S.A.
Head Office: Mexico City

*The Service of the American Surety Fleet
Blankets the Continent*

Eggs or Electrical Equipment



Almost any inventory is an A-1 loan source

Balance sheets can be barometers of increased volume of loan business for your bank. As the phases of war production change and reconversion begins, keep a "weather-eye" on the inventories listed on your customers' balance sheets. An inventory loan can release needed working capital for other important uses. And, remember almost any readily marketable inventory is sound

collateral when backed by Lawrence System field warehouse receipts. The raw materials or finished products can remain right on the borrower's premises while normal marketing continues uninterrupted. Lawrence System—working with hundreds of banks throughout the country—has aided businessmen for over 25 years. Keep all the facts on Lawrence System close at hand . . . and call upon the office nearest your bank for additional information.

LAWRENCE SYSTEM *field warehousing*

FOR BANK LOANS AGAINST INVENTORY



New York: 72 Wall St • Chicago: 1 No. LaSalle St • San Francisco: 37 Drumm St • Los Angeles: W.P. Story Bldg.
Buffalo • Boston • Philadelphia • Kansas City • St. Louis • New Orleans • Charlotte, N.C. • Jacksonville, Fla.
Minneapolis • Dallas • Houston • Denver • Fresno • Portland, Oregon • Seattle • Spokane • Honolulu

METHODS *and* IDEAS

JOHN J. McCANN

25 Ways to Help the Paper Conservation and Salvage Campaign

CUTTING CORNERS on the paper bill—one of the ever-present cost factors in banking operations—is an old story to our readers. Banks in various sections of the country, responding to our inquiry on current conservation programs, all indicate that there has been a gradual, steady tightening of supply budgets for the past several years, and paper has been an important item.

At first, conservation of supplies was more or less self-imposed. Economies were forced by lowered earnings, helped by streamlining systems and other operational developments, then still further tightened by the war, by priorities, shortages and forms of rationing.

The job that has been done on paper is good—but not good enough. A real scarcity of paper looms ahead, and banks are now being urged to tighten the belt a notch or two more to help relieve the situation.

The following list of paper-saving suggestions has been compiled from programs developed by the Bell Telephone companies and other large paper users, and by banks replying to our inquiry. They are offered as a double-check on your present conservation efforts:

(1) Undertake a program to have all surplus paper supplies in desks, cabinets and other places of storage returned to a central supply department for redistribution.

(2) Use the lightest weights of paper that are practicable for forms, correspondence, duplication work and literature.

(3) Use half-sized letterheads for short correspondence. Use both sides of standard size for lengthy letters.

(4) Reduce the number of copies of letters, memoranda, etc., to the minimum number having a functional purpose: for filing or for copies to remote locations. Circulate written material as far as practical and avoid furnishing separate copies to each person interested.

(5) Use single space typing where practicable.

(6) Avoid retyping. For minor corrections, use erasure or pen and ink where fine appearance is not essential.

(7) Plan typing and mimeograph work to fit a definite number of sheets reducing top, bottom and side margins to a minimum. Edit to avoid fractional use of last page.

(8) Recommend that all stocks or replaced forms be used before introducing a new form into routines. Many form revisions simply require additional information which may be posted to the old issue.

(9) Use the smallest suitable size of type on printed matter.

(10) Discontinue the use of covers, fly leaves, and indexing sheets where not essential.

(11) Reduce distribution and extra stocks of general letters and practices to a minimum. Circulate copies among those having a secondary interest.

(12) Consider the shortening of deposit forms, number of pages in pass-books, and counter material generally—and ration them out with care.

(13) Pare down mailing lists of all types, eliminate "dead wood" and waste due to incorrect addresses. Scale down advertising mailings and other literature accordingly.

(14) Arrange to have obsolete forms, mimeographed matter, etc., that are printed on one side, converted to scratch paper.

(15) Review special publications (house organs, reports, etc.) with a view to elimination or curtailment of their size or issue in the light of the present emergency.

(16) Avoid the use of gummed envelopes for interdepartmental mail. Re-use messenger envelopes until all of the existing space is used.

(17) Minimize the printing, stock carry and spoilage on branch envelopes by centralizing all mail at the head office or a post office box number.

(18) Fold enclosures so as to use the smallest suitable sized envelope.

(19) Follow suggestions for the economical use of carbon paper given on the carbon paper folder. Typewriter carbon sheets are good for at least 20 uses and pencil carbon sheets at least 50 uses. Hectograph carbon paper can be used three to five times.

(20) Put carbon copy on back of letter being answered and eliminate use of second sheets when possible. This will also reduce the need for filing cabinets.

(21) Open incoming packages carefully so that containers and materials can be re-used.

(22) Consult with your printer and stationer on the possibilities of "gang-printed" forms, and discontinuance of "poor cutting" sizes.

(23) Review all operational forms with a view to consolidating information into a lesser number, eliminate duplications and economize on quantity.

(24) Nominate some individual to have charge of supplies in each department; hold him responsible to the central supply office.

(25) Institute a campaign to make all employees conscious of the necessity of saving paper. There are countless ways in which they can help.

(26) Do not order more than a reasonable quantity of forms, letterheads, etc.; do not "stock pile." A three-month supply is generally considered sufficient.

(27) Cooperate on paper salvage so that waste will reach the mills for the quickest possible re-use.

More Timely Suggestions

O. B. LOVELL, comptroller of the FIRST NATIONAL BANK of Madison, Wisconsin, has compiled a comprehensive

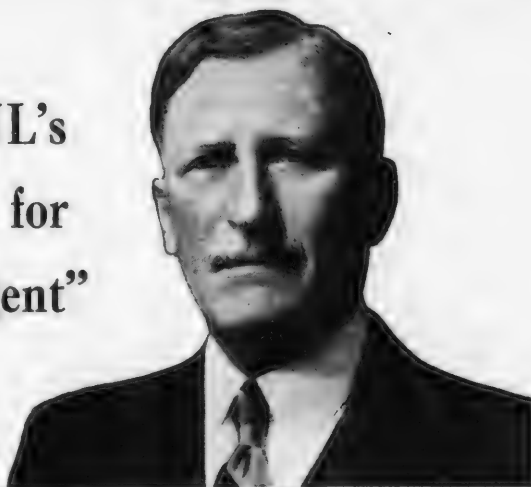


Twenty bales of paper make 12,000 cartridge containers—the daily salvage at the Firestone Tire and Rubber Co.

"1943 indicates that N^WNL's program is a healthy one for both policyholder and agent"

Reports *O. J. Arnold*

President,
Northwestern National Life Insurance Company



MORE PEOPLE ARE "STAYING WITH IT"

Surest sign of wise insurance buying is insurance that *stays in force*. Lapses by N^WNL policyholders have steadily declined. They dropped a further 25% in 1943, to a record low. N^WNL agents, paid not primarily for sales but for insurance kept in force, did a sound job of selling and servicing, reducing the waste of lapses—and thus earned better incomes for themselves.



MORE PEOPLE ARE BEING PROTECTED

Insurance in force (almost \$550,000,000) increased more than 2½ times as much as in 1942, at a rate nearly 50% greater than the estimated rate of increase for all life companies. (Excluding group insurance, the rate of gain was 20% greater.) More than ever, N^WNL's gain came from policies *kept in force* because they were soundly sold and properly serviced.



MANAGEMENT COSTS WHITTLED DOWN

Against the tide of rising prices, and with more policyholders than ever before to serve, N^WNL in 1943 has actually spent fewer dollars than in 1942 for expenses of management—except for taxes. In part, this reflects continued close control of management costs, but in a larger degree it reflects the increased efficiency of N^WNL's plan of agents' compensation.



MARGIN OF SAFETY IS GROWING

Surplus funds for policyholders' protection—above legal requirements—are growing faster than insurance in force. They provide a substantial *extra* margin of safety. Assets, kept at work in diversified prime securities, now total well over \$100,000,000—40% in U. S. Bonds. N^WNL's direct purchases of War Bonds in 1943 virtually equalled its total premium income.

N^WNL's PROGRAM for giving continually improving service to policyholders is spearheaded by a unique method of paying agents. The N^WNL agent is paid, not primarily for the amount of insurance he sells you, *but for the amount you keep in force*. When you lapse a policy, he suffers a penalty in his own earnings which applies not merely to the policy you lapsed, but to every dollar's worth of insurance from which he is

receiving an income. Thus, his prime interest is to provide you with exactly the right kind and amount of insurance, measured by what you need and can afford.

As in past years, N^WNL's complete Financial Statement, issued on New Year's Day and including all transactions through December 31, was the first to be published in 1944. If you'd like a copy, write us.

NORTHWESTERN *National* LIFE
INSURANCE COMPANY

Minneapolis 4,



Minnesota

Buy War Bonds!

sive manual on streamlined banking operations, some of which involve methods of conserving paper. Here are a few thoughts that may be readily adapted:

Promotional Literature. Among the time saving (and paper saving) ideas in force at one bank is an effort to cut down the daily mail of promotional nature addressed to various officers and departments. The bank has requested that all advertisers, friends and customers, responsible for this type of mail, use a single plate addressed to the advertising department, or perhaps to discontinue the mailings entirely. The advertising department is charged with analyzing the material and routing

items of interest to executives and departments.

Employee Salary Checks. The monthly or semi-monthly payroll work can be simplified by using the payroll journal as the posting medium for crediting checking accounts for all employees, making it unnecessary to issue salary checks. The individual employee's payroll ledger account is, of course, posted from the same journal. Employees, under this procedure, are not compelled to carry checking accounts and may withdraw their wages in full if they choose by issuing one check against the net amount credited.

Stop-Payment System. An efficient

stop-payment system is afforded by a four part one-time carbon form or set, which provides the following: (1) Customer's notice of acknowledgment; (2) teller's copy; (3) bookkeeper's copy; and (4) expiration tickler copy.

Upon receipt of the stop-order the description of the item in question is immediately typed on one of these sets. All copies are distributed at once, except the expiration tickler, which is filed ahead to within a few days of the 60- or 90-day expiration period. This copy is then placed in a window envelope and mailed to remind the customer in case he wishes to renew the stop-payment for another term. If no renewal is received the files are closed on the matter immediately.

Service Charge Advices. The mail advice of service charge to customers may be readily omitted by showing the charge on the monthly statement under the symbol "SC."

For posting purposes, the bank can use the individual analysis cards which contain data on balance, items, and profit and loss. Before posting, the loss cards are separated to avoid error and permit more rapid posting. A pre-list of cards reflecting service charges for the month may be made for proving purposes.

Inconsequential Charges. Small, inconsequential charges may not pay for the time required to post, or as the saying goes "not worth the paper they are printed on." Limits may be set for amounts to be charged or the monthly items may be accumulated and posted at longer intervals, say quarterly, to save posting time.

Deposit and Withdrawal Tickets. In a sizable savings department, the savings window posting machine provides a number of real advantages. The posting operation is accomplished simultaneously with the entries in the customer's passbook. The entries in the two records are identical and valuable audit control features are built into the machine.

THESE features make it entirely feasible to eliminate both deposit and withdrawal tickets. The amounts to be deposited or withdrawn are entered in the machine and recorded on the locked-in journal tape. The depositor signs for the withdrawal directly on the bank's ledger card, which is identical with the one in his passbook.

The savings window transaction is thus placed on a basis more comparable to the transaction at the commercial window.

(CONTINUED ON PAGE 62)



The First National Bank of Chicago

Statement of Condition December 31, 1943

ASSETS

Cash and Due from Banks,	\$ 413,323,872.37
United States Obligations—Direct and fully Guaranteed, Unpledged,	\$675,382,748.65
Pledged—To Secure Public Deposits and Deposits Subject to Federal Court Order, 343,307,651.70 To Secure Trust Deposits,	26,824,244.88
Under Trust Act of Illinois,	517,277.78
Other Bonds and Securities,	1,046,031,923.01
Loans and Discounts,	64,717,244.60
Real Estate (Bank Building),	369,481,670.81
Federal Reserve Bank Stock,	4,146,685.98
Customers' Liability Account of Acceptances,	2,700,000.00
Interest Earned, not Collected,	817,005.16
Other Assets,	4,522,704.98
	167,247.77
	<u>\$1,905,908,354.68</u>

LIABILITIES

Capital Stock,	\$ 50,000,000.00
Surplus,	40,000,000.00
Other Undivided Profits,	3,190,262.47
Discount Collected, but not Earned,	647,458.85
Dividends Declared, but Unpaid,	900,000.00
Reserve for Taxes, etc.,	6,540,016.47
Liability Account of Acceptances,	937,864.14
Time Deposits,	\$ 200,717,810.19
Demand Deposits,	1,252,602,598.71
Deposits of Public Funds,	350,365,460.74
Liabilities other than those above stated,	6,883.11
	<u>\$1,905,908,354.68</u>

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

"I Give You, Mein Fuehrer, \$350,000,000 in American Property!"

It makes Hitler happy, this destruction in America by *Americans*—over \$350,000,000 worth in 1943! War-precious American property—vital factories and equally essential homes, wiped out by *fire*, the sabotage of carelessness, reducing our invasion power and slowing the drive to victory.

But that was 1943. Now it's up to *you* to help defeat fire this crucial year, 1944. For, while fire prevention is *always* important, it is *extra* important now, for conscientious fire prevention this year will help shorten the war. And there is this final reason to make fire prevention your concern—over a period of time the smaller the losses the less the property owner will pay for his insurance protection.

This year, let's not give aid and comfort to the enemy—

Let's be *extra* careful about fires!

☆ THE HOME ☆
Insurance Company
NEW YORK
FIRE • AUTOMOBILE • MARINE INSURANCE



METHODS—Continued

The time saving is considerable, especially when all savings customers have not been trained to properly prepare savings deposit and withdrawal tickets.

Collections. Fanfold forms may be economically adopted to incoming and outgoing collection records to save time, material and insure identical records. At one writing it is possible to provide:

- Letter of transmittal
- File copy (Collection Department)
- Audit copy
- Advice of collection
- Credit memorandum.

If these forms are prepared in snap-out style, a delayed action can be effected whereby the letter of transmittal and audit copy are first removed, and the remaining copies stay intact until the proceeds of the collection are received.

FHA Regulations

A CONVENIENT chart listing various commodities in connection with home repairs and remodeling and the applicable rule and regulations under WPB, Regulation W and FHA, has been issued by the AMERICAN NATIONAL BANK and TRUST COMPANY of Chicago as a

service to its many FHA Title I dealers.

The chart sets forth the regulations covering construction and financing under the headings of: fuel conservation, plumbing and heating, remodeling and improvements, necessary new construction, maintenance and repairs, and combination jobs.

Any bank active in the FHA Title I field, particularly those purchasing paper from dealers, should find this chart very helpful. The bank will send copies upon request.

Cheating the Counterfeiter



Invisible luminescent inks come to life when viewed with an activating light medium

LUMINESCENT pigment is one of the latest devices used to foil would-be counterfeiters. The New Jersey Zinc Company reports that bank notes, ration books, tax stamps and the like may now be impregnated with pigments which have the property of absorbing radiated light energy of short wavelength and converting this energy to visible light.

There are two general types: fluorescent, or pigments which emit light only when exposed to the activation of a near ultra-violet (so-called "black" light); and phosphorescent—pigments which are activated by any light source and continue to glow after the activating light has been extinguished.

Fluorescent pigments are of particular interest for protective purposes as they are not easily detectable except when exposed to a black light. Furthermore, the properties of fluorescent pigments are very finely divided; they may be used as regular pigment incorporated in paper fiber, or as a coating on paper, or employed as inks in printing or engraving the design.

The design as well as the intensity of fluorescence can be controlled by the choice of color, or colors, and by the quantity of pigment used, which thus permits unlimited variations.

The most efficient activating light source is the high pressure mercury arc lamp, equipped with nickel oxide (ultra-violet) glass filter. The argon glow lamp is another suitable source. However, there are a variety of light sources,

(CONTINUED ON PAGE 64)

BANKERS TRUST COMPANY NEW YORK



CONDENSED STATEMENT OF CONDITION, DECEMBER 31, 1943

ASSETS

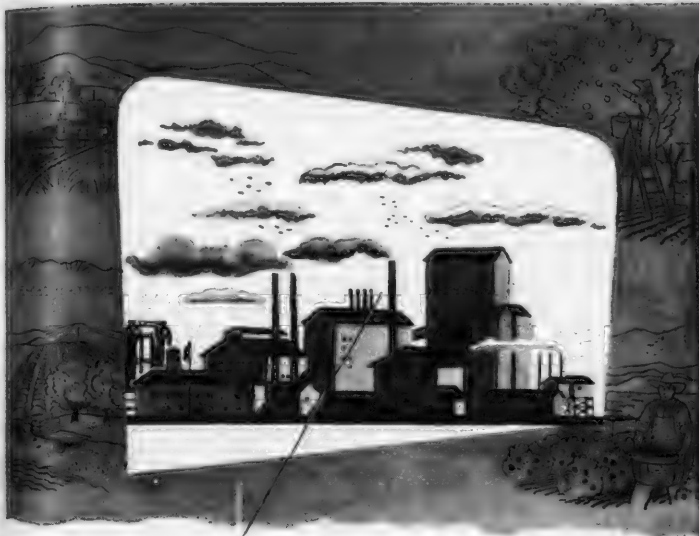
Cash and Due from Banks	\$ 331,870,815.99
U. S. Government Securities	950,441,228.19
Loans and Bills Discounted	362,407,441.55
State and Municipal Securities	12,621,357.02
Other Securities and Investments	48,941,929.48
Real Estate Mortgages	732,649.81
Banking Premises	15,867,316.64
Accrued Interest and Accounts Receivable	4,245,604.78
Customers' Liability on Acceptances	1,696,632.10
	<u>\$1,728,824,975.56</u>

LIABILITIES

Capital	\$25,000,000.00	
Surplus	75,000,000.00	
Undivided Profits	25,366,747.03	\$ 125,366,747.03
Dividend Payable January 3, 1944		875,000.00
Deposits	1,594,694,072.48	
Accrued Taxes, Interest, etc.	4,397,109.15	
Acceptances		
Outstanding	\$ 2,108,504.22	
Less Amount in Portfolio	112,333.67	1,996,170.55
Other Liabilities		1,495,876.35
		<u>\$1,728,824,975.56</u>

Securities in the above statement are carried in accordance with the method described in the annual report to stockholders, dated January 14, 1943. Assets carried at \$314,653,613.74 have been deposited to secure deposits, including \$297,799,420.20 of United States Government deposits, and for other purposes.

Member of the Federal Deposit Insurance Corporation



A *new* CALIFORNIA GREET'S THE NEW YEAR

The New Year finds a remarkable transformation in California, where industrial development, long in progress, but hastened by war, commands the attention of bankers and other executives throughout the Nation.

This bank is a vital part of California's economic structure, and because it serves business, agriculture, and industry everywhere in the state, it has a unique capacity to serve you.

Your inquiries are invited. Write Bank of America, 300 Montgomery Street, San Francisco - 4, or 660 So. Spring Street, Los Angeles - 54.

CAPITAL FUNDS	\$ 166,384,994.51
DEPOSITS	\$3,498,153,209.87
RESOURCES	\$3,697,912,674.78

(As of December 31, 1943)

Bank of America
NATIONAL TRUST AND SAVINGS ASSOCIATION

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION
MEMBER FEDERAL RESERVE SYSTEM

Main Offices in Two Reserve Cities of California...San Francisco...Los Angeles



Bank of America branches provide
complete metropolitan banking facilities in
the following California communities:

Alameda	Healdsburg	Puente
Alhambra	Hermosa Beach	Quincy
Alturas	Highland	Ramona
Anaheim	Highland Park	Red Bluff
Angels Camp	Hilmar	Redding
Antioch	Hollister	Redlands
Arbuckle	Hollywood	Redondo Beach
Arcadia	Huntington Park	Redwood City
Arcaño	Hynes	Redwood City
Arroyo Grande	Indio	Richmond
Atascadero	Inglewood	Rio Vista
Atwater	Isleton	Ripon
Auburn	Jackson	Riverside
Avenal	Kelseyville	Roseville
Azusa	Kerman	Sacramento
Bakersfield	King City	St. Helena
Balboa	Kingsburg	Salinas
Baldwin Park	Knights Landing	San Anselmo
Barstow	Laguna Beach	San Bernardino
Bell	La Habra	San Bruno
Beverly Hills	La Jolla	San Carlos
Bishop	Lakeport	San Clemente
Brawley	La Mesa	San Diego
Brentwood	Laurel	San Dimas
Burbank	Lincoln	San Fernando
Burlingame	Lindsay	San Francisco
Calexico	Live Oak	Sanger
Calistoga	Livermore	San Jose
Camarillo	Livingston	San Juan
Cambria	Lodi	Bautista
Cedarville	Lompoc	San Leandro
Centerville	Lone Pine	San Luis Obispo
Chico	Long Beach	San Mateo
Chino	Loomis	San Pedro
Chowchilla	Los Angeles	San Rafael
Chula Vista	Los Banos	Santa Ana
Claremont	Los Gatos	Santa Barbara
Cloverdale	Loyalton	Santa Clara
Colfax	Madera	Santa Cruz
Colma	Manhattan	Santa Maria
Colton	Beach	Santa Monica
Colusa	Manteca	Santa Paula
Compton	Mariposa	Santa Rosa
Concord	Martinez	Saratoga
Corning	Marysville	Sausalito
Corona	McCloud	Sebastopol
Coronado	Mendocino	Selma
Covina	Menlo Park	Shafter
Crescent City	Merced	Solana Beach
Cucamonga	Millbrae	Soledad
Culver City	Mill Valley	Sonoma
Daly City	Milpitas	South Gate
Danville	Modesto	So. Palo Alto
Davis	Monrovia	So. Pasadena
Del Rey	Monterey	So. San Francisco
Dinuba	Monterey Park	Stockton
Dixon	Montrose	Studio City
Dos Palos	Morgan Hill	Suisun
Downey	Mountain View	Sunnyvale
Dunsmuir	Napa	Susanville
Eagle Rock	National City	Sutter Creek
El Centro	Needles	Taft
Elk Grove	Nevada City	Tipton
El Monte	Newcastle	Tomales
Emeryville	Newhall	Torrance
Encinitas	Newport Beach	Tracy
Escondido	No. Hollywood	Truckee
Eureka	No. Long Beach	Tulunga
Exeter	No. Sacramento	Tulare
Fairfax	Norwalk	Tulelake
Fall Brook	Oakdale	Turlock
Fall River Mills	Oakland	Ukiah
Ferndale	Oak Park	Upland
Fillmore	Ocean Beach	Vacaville
Firebaugh	Ocean Park	Vallejo
Florence	Oceanside	Valley Ford
Folsom	Olaj	Van Nuys
Fontana	Ontario	Venice
Fort Bragg	Orange	Ventura
Fortuna	Orland	Vernon
Fowler	Oroville	Victorville
Fresno	Oxnard	Visalia
Fullerton	Pacific Grove	Walnut Creek
Gardena	Palm Springs	Wasco
Geyserville	Palo Alto	Watsonville
Gilroy	Pasadena	Weaverville
Glendale	Paso Robles	W. Los Angeles
Glendora	Pescadero	Westwood
Goleta	Petaluma	Westwood
Grass Valley	Piru	Village
Gridley	Pismo Beach	Wheatland
Gustine	Pittsburg	Whittier
Half Moon Bay	Placencia	Williams
Hanford	Placerville	Willows
Hawthorne	Pleasanton	Wilmington
Hayward	Point Arena	Winters
	Point Reyes	Woodlake
	Pomona	Woodland
	Porterville	Yreka
	Portola	Yuba City

This bank also maintains special facilities
for the armed forces at military and
naval centers throughout California



★ A window display dramatizing the penny shortage by the Franklin Society for Savings, New York City, asks public to help relieve the situation

★

STATEMENT OF CONDITION

Mercantile-Commerce Bank and Trust Company

Locust - Eighth - St. Charles
St. Louis

DECEMBER 31, 1943

THE RESOURCES

Cash and Due from Banks	\$72,354,810.31
U. S. Government Obligations, direct and guaranteed (including \$50,300,738.94 pledged*)	152,482,949.82
Other Bonds and Securities	23,351,024.57
Demand and Time Loans	44,672,819.92
Stock in Federal Reserve Bank in St. Louis	420,000.00
Real Estate (Company's Building)	2,790,536.40
Other Real Estate (Former Bank of Commerce Bldgs.)	1,500,000.00
Overdrafts	15,661.10
Customers' Liability on Acceptances and Letters of Credit	1,169,741.19
Other Resources	53,967.38
	<u>\$298,811,510.69</u>

THE LIABILITIES

Capital Stock	\$10,000,000.00
Surplus	4,000,000.00
Undivided Profits	4,532,818.49
Reserve for Dividend Declared	150,000.00
Reserve for Interest, Taxes, etc.	692,605.43
Unpaid Dividends	2,636.55
Bank's Liability on Acceptances and Letters of Credit	1,169,741.19
Other Liabilities	43,261.85
Deposits, Secured: Public Funds	\$ 44,615,583.46
Other Deposits, Demand	197,870,348.97
Other Deposits, Time	35,734,514.75
	<u>278,220,447.18</u>
	<u>\$298,811,510.69</u>

*All Securities pledged are to the U. S. Government or its Agents, State of Missouri and the City of St. Louis, to secure deposit and fiduciary obligations.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

properly filtered, which may be adapted. The newer type fluorescent lamps and ordinary incandescent light bulbs with nickel oxide glass filters will activate this new medium simply and with minimum expense.

Service Charges

AN ANALYSIS of checking account service charges in 764 banks over the country, prepared by R. A. Bezoier, vice-president and cashier, FIRST NATIONAL BANK, Rochester, Minnesota, lends further support to the necessity of adjusting extreme variation of rate schedules.

In his study, Mr. Bezoier sees "a favorable trend toward simplicity and some consistency in rates." He points out, however, that various costs require various rates but by no stretch of the imagination should bank service charges be so widely diversified. In other words, a \$10 hat may cost \$10 in New York, \$8.50 in Chicago and \$12 in Seattle; but certainly not \$25 in one place and \$5 in another."

Of the total 764 banks, 268 apply a combined method of analysis and measured charges; 406 apply analysis only and 90 use measured schedules only.

Some of the highlighted points of the study indicate that 43 per cent of the banks apply measured service charge schedules to accounts under \$500; others range from 3½ per cent under \$100 to 10 per cent under \$1,000. Some 48 per cent of the banks charge four cents on excess checks, others charge from two to six cents. Ten checks per \$100 of minimum balance are allowed by 35 per cent of the banks; others range from two to five checks. Of those basing schedules on average balance, 60 per cent allow five "free checks," while the variation in the group is from two to 10 checks. Some 76 per cent of the banks charge maintenance fees ranging from 25 cents to \$1, the average being 50 cents.

All banks in this study charge on checks from two cents to five cents, with the majority of 55 per cent charging three cents. Charges on deposits range from two to 10 cents, with 20 per cent charging three cents, 27 per cent charging five cents, and 23 per cent charging seven cents.

Of the 26 per cent of the banks charging on deposited items, fees range from one-half cent to two cents. Rates on clearings in 80 per cent of the banks spread from one cent to five. All banks in the study charge for transit items from one cent to five, with 36 per cent set at two cents.

Credits are allowed by all banks re-
(CONTINUED ON PAGE 66)



This door is always open . . .

YES, the door to the Westinghouse Better Homes Department is *always open* to assist the building profession in the planning of postwar housing.

The Better Homes Advisory Staff is ready and eager to give authoritative technical advice on the *proper applications of electricity* in 194X homes.

SIX-POINT ADVISORY SERVICE

The Better Homes Department offers a *Six-Point Advisory Service* on the following subjects:

1. Selection of correct types of electrical equipment for various classes of postwar homes.
2. Location and arrangement of fixed equipment, for conserving space and attaining maximum efficiency in arrangement of work cycles.
3. Accurate dimensions and clearances of equipment to insure proper installation and efficient operation.
4. Access for servicing of equipment—so necessary for periodic inspection and repair.
5. Location of lighting outlets and controls, for greater enjoyment, comfort, and safety in the home.
6. Utility service connections—including location and size of electric wiring, water supply, and drainage.

Westinghouse Better Homes Department welcomes the opportunity of giving constructive assistance to those interested in postwar housing.

If you have any problems relating to the selection, installation, and use of home electrical equipment, write: Better Homes Department, Westinghouse Electric & Manufacturing Company, Pittsburgh 30, Pennsylvania.

"ELECTRICAL LIVING IN 194X"

The Better Homes Department is preparing a new and unusual book—"Electrical Living in 194X"—which explains the urgent need for *better wiring for better living* in postwar homes.

This new book will be very helpful to the building profession and allied interests . . . in explaining to prospective home owners the importance of better wiring in their 194X homes.

"Electrical Living in 194X" will be made available to investment institutions, architects, engineers, contractors, builders, public utilities, housing authorities, electrical inspectors, and building management.

Watch for further announcements regarding this colorful, easy-to-understand, 64 page book!

Tune in John Charles Thomas,
NBC, Sundays, 2:30 p.m., E.W.T.

Westinghouse
Plants in 25 Cities Offices Everywhere

"BANKERS HOURS"

for Betty

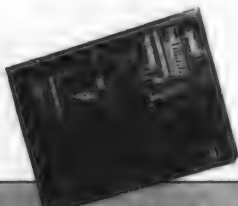


... with *Film-a-record*

Yes, at the end of the day Betty is free to enjoy life... for Film-a-record eliminates overtime or unnecessary fatigue from the manual preparation of transit letters or customers ledgers.

The Film-a-record camera, of course makes errors impossible, so every check, statement or other record reproduced is a complete, accurate copy—further streamlining the bank's record-keeping practices.

But speed and accuracy are only a part of the story. Film-a-record reproductions of space-consuming inactive records on microfilm also mean a 99% saving of vital filing equipment and floor space... which can be re-assigned for more productive use.



- The complete story of Film-a-record—Remington Rand's latest contribution to business efficiency—is available to you in the new booklet, "MICRO-FILM TODAY". Send for your copy now. No obligation.

For LEADERSHIP IN BUSINESS PHOTOGRAPHY
look to

Remington Rand

BUFFALO 5,

NEW YORK

METHODS—Continued

porting on either minimum and average balances or both, but the spread varies in proportion to the charges. Another variation is also evident in the fact that some banks use average collected balances while others use average ledger balances.

Other points revealed are: Very few of the large and medium sized banks still operate under an old service charge system. Reserves which are deducted vary between 20 and 50 per cent; 25 per cent is the most popular figure. Those charging for currency per \$1,000 range from 20 to 30 cents; on coins from 50 to 60 cents.

Termination of War Contracts

A DIGEST of the salient features of the War Department's Regulation 15 on termination of war contracts has been prepared in booklet form for customer distribution by the ANGLO CALIFORNIA NATIONAL BANK, San Francisco.

A letter, signed by President W. H. Thomson, announcing the distribution, explains that the material was originally prepared for the bank's own use; that its value may be well shared by contractors and subcontractors who may be engaged on an unfinished contract when the war is won. To augment the information, the bank added a questionnaire for self-analysis to assist the reader in determining whether or not his "house is in order," and if not, to adjust the condition immediately. A process which the bank calls a "fire drill" for the future event.

Stopper

PRESIDENT C. E. Brockway, FIRST NATIONAL BANK of Sharon, Pennsylvania, has discovered a sure-fire window-stopper. It is an automatic or repeater projector which gives a continuous showing of locally made motion pictures in the bank window.

"During the past two years," says Mr. Brockway, "I made about 2,000 feet of film of local civilian defense activities, including classes in home nursing, nurse's aid, surgical dressing, first aid, and of all the activities that the war has produced locally. Thousands of people, during the last few months, have stopped to watch these films in our window."

As a secondary use for these amateur films, various sections are spliced for a 15-minute to a half hour showing for large audiences. "This means," continued Mr. Brockway, "that we have a pictorial review of civilian war activities.

(CONTINUED ON PAGE 68)



We'll help you pay those bills

...bills for new quarters if fire forces you out of your home. Bills for repairing or rebuilding. Bills for refurnishing.

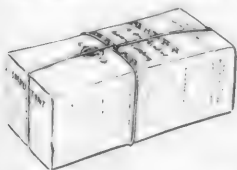
...bills for food, fuel and other necessities if a disabling accident stops you from working and earning. And your hospital, doctor and nursing bills, too!

...bills for replacing jewelry, silverware, clothing, furs and other valuables that burglars or anyone else may steal.

All these and many more of the costs of misfortune—bills that otherwise would fall entirely upon *you*—can be provided for by carrying *Hartford Insurance*.

What is the "package" idea of protection?

Today's trend in insurance is to "package" more complete protection in fewer policies—frequently at lower cost. For instance, the Hartford Comprehensive Personal Liability Policy ends your worries about damage claims and lawsuits resulting from accidents on your home premises, or due to your ownership of dogs or horses, or participation in sports such as hunting, fishing, cycling, or golf, or caused by other personal activities. It likewise covers your wife and minor children, and other relatives under 21 living with you.



Don't let this risk wreck your business

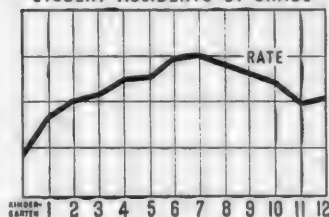
The worker who steals often shows great ingenuity in concealing the fact. As a result, before the loss is discovered it may be so large as to bankrupt his employer. Wise business men avoid this risk. They protect themselves through "blanket" Fidelity Bonds, covering all employees.



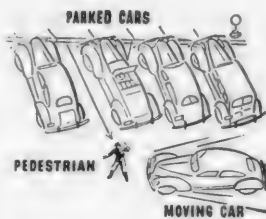
If your children go to school

This chart will interest you and them. While the accident frequency rate rises to a peak at the seventh grade, it is of utmost importance that they learn safe habits during their early school life. Safety is most important in every grade.

STUDENT ACCIDENTS BY GRADE



Published with permission of National Safety Council



Gas rationing hasn't ended this risk

You are using your car less but still you run the risk of accidents and damage suits. Take a case like this where a pedestrian suddenly steps from behind a parked car. If you were the oncoming driver, could you stop in time? Of course you should keep your automobile liability insurance in force.



When is sand better than water to put out a fire?

This is important, no matter how much fire insurance you have. Water tends to spread oil and gasoline fires. Use sand. Also keep a foam type fire-extinguisher handy.

Why did father have to pay more than you?

Insurance used to cost more in his day. Fires and accidents were more frequent then in proportion to the number of people insured. In recent years insurance companies, through inspections and educational work on safety standards, have encouraged safer building—safer for life and safer from fire. Insurance rates have come down accordingly.



What does this symbol promise you?

The Hartford stag on an insurance policy is your guarantee of ample financial resources to pay losses. Since 1810, disasters, conflagrations, depressions and wars have tested Hartford strength—and proved its impregnability. Let the Hartford agent in your community or your insurance broker put the stag on guard for you.



HARTFORD INSURANCE

Hartford Fire Insurance Company
Hartford Accident and Indemnity Company
Hartford Live Stock Insurance Company
Hartford, Connecticut

Writing practically all forms of insurance except personal life insurance

Let

BANKING

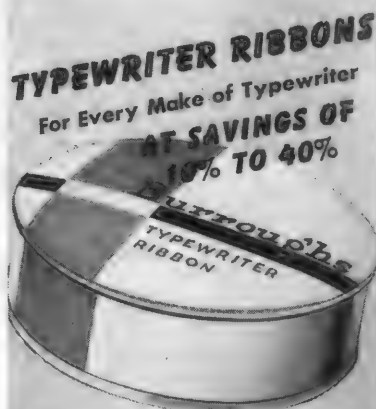
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in the service*

ENTER a subscription for each of your service men, so that BANKING may follow them monthly while they are away. Keep them in touch with the latest developments in the banking world back home in this practical, interesting way. Write today for Service Men's Plan and special rates.

BANKING

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Save on supplies through Burroughs Discount Purchase Plans

Burroughs typewriter ribbons give clear, clean-cut printed results during long, continuous use. These ribbons—as well as equally fine ribbons for cash registers, adding, accounting and other business machines—are available to you at savings of 10% to 40% through Burroughs Discount Purchase Plans. Investigate the many advantages of filling ALL your ribbon requirements through this one convenient source. Call your local Burroughs office or write Burroughs Adding Machine Company, Detroit 32, Michigan.

Burroughs
SUPPLIES FOR BUSINESS MACHINES

Under the Old Republic Plan
insurance on personal loans
gives economical protection
to both lender and borrower.



*The largest independent
company exclusively insuring
the lives of borrowers*

309 W. Jackson

Chicago

METHODS—Continued

Flying Banks

THE ARMY AIR FORCES have solved one of the major financial problems of the war with a "flying banking service," which delivers soldier payrolls on time, even under conditions of actual attack in the combat theatres.

Lt. Colonel G. W. Beal, a finance officer attached to the Air Corps, just returned from the African front, states: "Our bank operates on the front lines, usually the most forward airdrome, and in Africa we paid the men on time often under dive bombing and strafing attack."

The Air Forces also offer the dough-boy a new banking service called "personal transmission accounts"—a free service which delivers whatever funds the soldier may wish to transmit to the States within 14 days. The "flying bank service" also maintains a currency exchange for the benefit of personnel who arrive from all sections of the world.

Annual Report

POKING FUN at the routine rendering of bank statements, the *New Yorker* magazine recently editorialized the impressions of a copywriter's wife who "thinks it's shocking that banks don't have at least twice as many assets as liabilities."

The GENESEE VALLEY TRUST COMPANY of Rochester, New York, made a point of the article, reproduced it with permission on the inside cover of its annual report to stockholders, and proceeded to aright the wrong with a "Fuller Explanation Department."

Among other interesting items explained in detail in the report is a summary statement of earnings with comparative figures for 1942 and 1943.

Treatment

THE GREENPOINT SAVINGS BANK of Brooklyn has issued a 75th anniversary book, "Memorable Greenpoint," which takes a somewhat different slant from the usual commemorative brochures.

Instead of presenting a story with facts and figures and pictures pertaining to the bank's growth, it tells in an absorbing manner about the changes in landmarks, people, their interest and social life; it is a local history of the Greenpoint section.

Chapters recall the "good old days" in schools, industry, churches and municipal departments; of famous sons and daughters, of social activities and clubs. It repeats some familiar folklore and is illustrated with "tintype" photographs.

THE NATIONAL CITY BANK OF NEW YORK

Head Office · 55 WALL STREET · New York



Condensed Statement of Condition as of December 31, 1943

(In Dollars Only—Cents Omitted)

INCLUDING DOMESTIC AND FOREIGN BRANCHES

ASSETS

Cash and Due from Banks and Bankers	\$ 885,401,994
United States Government Obligations (Direct or Fully Guaranteed)	2,174,265,961
Obligations of Other Federal Agencies	36,204,882
State and Municipal Securities	130,284,824
Other Securities	47,038,098
Loans, Discounts, and Bankers' Acceptances	633,126,637
Real Estate Loans and Securities	4,783,329
Customers' Liability for Acceptances	4,471,464
Stock in Federal Reserve Bank	5,625,000
Ownership of International Banking Corporation	7,000,000
Bank Premises	36,649,081
Items in Transit with Branches	1,917,734
Other Assets	1,050,345
Total	\$3,967,819,349

LIABILITIES

Deposits	\$3,733,649,246
(Includes United States War Loan Deposit \$409,714,667)	
Liability on Acceptances and Bills	\$8,209,196
Less: Own Acceptances in Portfolio	2,791,171
	5,418,025
Reserves for:	
Unearned Discount and Other Unearned Income	1,402,585
Interest, Taxes, Other Accrued Expenses, etc.	12,695,897
Dividend	3,100,000
Capital	\$ 77,500,000
Surplus	110,000,000
Undivided Profits	24,053,596
	211,553,596
Total	\$3,967,819,349

Figures of foreign branches are included as of December 23, 1943, except those for enemy-occupied branches which are prior to occupation but less reserves.

\$572,456,453 of United States Government Obligations and \$5,398,354 of other assets are deposited to secure \$539,525,139 of Public and Trust Deposits and for other purposes required or permitted by law.

(Member Federal Deposit Insurance Corporation)

Chairman of the Board
Gordon S. Rentschler

Vice-Chairman of the Board
W. Randolph Burgess

President
Wm. Gage Brady, Jr.



"THE LARGEST OF MANY EXCELLENT BANKS IN THE NORTHWEST"

Statement of Condition December 31, 1943

RESOURCES		Totals
Cash and Due from Banks . . .	\$123,105,076.80	
United States Government Securities		
Direct and Fully Guaranteed . . .	273,140,181.29	
State, Municipal and Other		
Public Securities	21,607,766.78	
Other Bonds and Securities . . .	1,540,022.76	\$419,393,047.63
Loans and Discounts		84,249,151.72
Federal Reserve Bank Stock		390,000.00
Bank Buildings, Vaults, Furniture and Fixtures		2,001,917.44
Interest Earned Not Received		1,015,152.18
Customers' Liability Under Letters of Credit and Acceptance		7,784,202.14
TOTAL		\$514,833,471.11

LIABILITIES	
Capital Stock	\$ 8,000,000.00
Surplus and Undivided Profits	8,289,042.04
Reserves for Contingencies . . .	2,615,123.83
Reserves for Interest, Taxes, etc.	1,627,994.67
Discount Collected Not Earned	125,586.20
Letters of Credit and Acceptance	7,784,202.14
Deposits	486,391,522.23
TOTAL	\$514,833,471.11

*34 strategically located Banking Offices
in the State of Washington*

Member Federal Reserve
System



Member Federal Deposit
Insurance Corp.

SEATTLE-FIRST NATIONAL BANK

Main Office — Seattle
Spokane and Eastern Division — Spokane

In the Soundest Condition

INSURED banks are in the soundest condition they have ever enjoyed, said Leo T. Crowley, chairman of the Federal Deposit Insurance Corporation, in a report to President Roosevelt.

"We cannot forecast banking developments during the post-war period that will affect the assets of FDIC," said Chairman Crowley. "It is a pleasure to report to you, however, that the corporation is in a financial position that should enable it easily to care for whatever demands may eventuate."

On January 1 more than 75 million accounts were protected, the report said.

"During the ten years ended January 1, 1944, FDIC disbursed \$255,000,000 (of which we estimate more than 80 per cent will be recovered) to protect 1,300,000 depositors in 395 insolvent banks. Fewer than 2,000 of these depositors were not fully protected by the individual \$5,000 insurance maximum. These, of course, got their \$5,000 immediately and are sharing in proceeds of liquidation for recoveries above that amount.

"On December 31, 1943, the capital and surplus of the corporation stood at \$700,000,000, about two and one half times the amount of its capital at the beginning of operations. The expenses of the corporation, including its losses in closed banks, amounted during the ten years to \$80,000,000, which is less than its income from investments. Were it found desirable today to liquidate the corporation, not only could we repay in full the assessments paid by insured banks and the capital subscriptions of the Treasury and the Federal Reserve banks, but we could pay, in addition, a 14 per cent dividend to the Treasury on its holdings of FDIC stock."

American prisoners of war at Atalagluft 111-B, in Germany, with American Red Cross war prisoner food parcels





THE NEW YORK TRUST COMPANY

100 BROADWAY

MADISON AVENUE AND 40TH ST.

TEN ROCKEFELLER PLAZA

CONDENSED STATEMENT OF CONDITION At the close of business, December 31, 1943

ASSETS

Cash on Hand and in Federal Reserve Bank	\$107,948,335.52
Exchanges, Collections and Other Cash Items	67,673,551.09
United States Government Obligations—Direct and Guaranteed	381,441,910.32
Other Bonds and Securities	23,001,161.92
Loans and Discounts	158,771,343.20
Interest Receivable, Accounts Receivable and Other Assets	2,011,867.74
Customers' Liability for Acceptances	70,177.09
Real Estate Bonds and Mortgages	2,494,053.92
Equities in Real Estate	526,869.96
	<u>\$743,939,270.76</u>

LIABILITIES

Deposits	\$648,701,337.45	
Outstanding and Certified Checks	<u>40,507,109.46</u>	\$689,208,446.91
Dividend Payable January 3, 1944		525,000.00
Accounts Payable, Reserve for Taxes and Other Liabilities		2,932,387.25
Acceptances		70,177.09
Capital	15,000,000.00	
Surplus	30,000,000.00	
Undivided Profits	<u>6,203,259.51</u>	51,203,259.51
		<u>\$743,939,270.76</u>

United States Government obligations and other securities carried at \$101,958,379.90 in the above statement are pledged to secure United States Government deposits of \$93,194,261.48 and other public and trust deposits and for other purposes required by law.

TRUSTEES

MALCOLM P. ALDRICH
New York
GRAHAM H. ANTHONY
President, Veeder-Root Inc.
ARTHUR A. BALLANTINE
Root, Clark, Buckner
& Ballantine
JOHN E. BIERWIRTH
President
JAMES C. COLGATE
Bennington, Vt.
ALFRED A. COOK
Cook, Lehman, Greenman,
Goldmark & Loeb
WILLIAM F. CUTLER
Vice-President
American Brake Shoe Company

FRANCIS B. DAVIS, JR.
Chairman of the Board
United States Rubber Company
RUSSELL H. DUNHAM
Chairman of the Board
Hercules Powder Company
SAMUEL H. FISHER
Litchfield, Conn.
WILLIAM HALE HARKNESS
New York
HORACE HAVEMEYER, JR.
Executive Vice-President
The National Sugar Refining Company
B. BREWSTER JENNINGS
New York

HOWARD W. MAXWELL
New York
HARRY T. PETERS
New York
SETON PORTER
President, National Distillers
Products Corporation
MORRIS SAYRE
Executive Vice-President
Corn Products Refining Co.
VANDERBILT WEBB
New York
MEDLEY G. B. WHELPLEY
Guggenheim Bros.

Member of the Federal Deposit Insurance Corporation

MANUFACTURERS TRUST COMPANY

Condensed Statement of Condition as at close of business
December 31, 1943

RESOURCES

Cash and Due from Banks	\$401,956,452.50
U. S. Government Securities	887,436,947.74
U. S. Government Insured	
F. H. A. Mortgages	8,027,541.56
State and Municipal Bonds	21,430,886.55
Stock of Federal Reserve Bank	2,229,200.00
Other Securities	26,974,125.22
Loans, Bills Purchased and	
Bankers' Acceptances	298,950,311.04
Mortgages	13,897,195.28
Banking Houses	12,129,030.67
Other Real Estate Equities	2,039,173.46
Customers' Liability for Acceptances	3,688,277.14
Accrued Interest and Other Resources	3,597,767.76
	\$1,682,356,908.92

LIABILITIES

Preferred Stock	\$ 8,307,640.00	
Common Stock	32,998,440.00	
Surplus and		
Undivided Profits	48,344,446.37	89,650,526.37
Reserves		6,183,421.91
Dividend on Common Stock		
(Payable January 3, 1944)		824,959.50
Dividend on Preferred Stock		
(Payable January 15, 1944)		207,691.00
Outstanding Acceptances		4,280,834.76
Liability as Endorser on Acceptances		
and Foreign Bills		300,214.02
Deposits		1,580,909,261.36
		\$1,682,356,908.92

United States Government and other securities carried at \$165,461,085.31 are pledged to secure U. S. Government War Loan Deposits of \$133,098,432.17 and other public funds and trust deposits, and for other purposes as required or permitted by law.

DIRECTORS

EDWIN M. ALLEN President, Mathieson Alkali Works, Inc.	CHARLES FROEB Chairman, Lincoln Savings Bank	C. R. PALMER President, Cluett, Peabody & Co., Inc.
EDWIN J. BEINECKE Chairman, The Sperry & Hutchinson Co.	PAOLINO GERLI President, E. Gerli & Co., Inc.	GEORGE J. PATTERSON President, Scranton & Lehigh Coal Co.
EDGAR S. BLOOM President, Atlantic, Gulf and West Indies Steamship Lines	HARVEY D. GIBSON President, Lambert Company	HAROLD C. RICHARD Chairman, General Bronze Corporation
LOU R. CRANDALL President, George A. Fuller Company	JOHN L. JOHNSTON President, Simpson Thacher & Bartlett	HAROLD V. SMITH President, Home Insurance Co.
CHARLES A. DANA President, Spicer Manufacturing Corp.	OSWALD L. JOHNSTON President, Thacher & Bartlett	ERNEST STAUFFEN Chairman, Trust Committee
HORACE C. FLANIGAN Vice-President	CHARLES L. JONES The Charles L. Jones Company	GUY W. VAUGHAN President, Curtiss-Wright Corporation
JOHN M. FRANKLIN New York City	SAMUEL McROBERTS New York City	HENRY C. VON ELM Vice-Chairman of the Board
	JOHN P. MAGUIRE President, John P. Maguire & Co., Inc.	ALBERT N. WILLIAMS President, Western Union Telegraph Company

Principal Office: 55 Broad Street, New York City
68 BANKING OFFICES IN GREATER NEW YORK
European Representative Office: 1, Cornhill, London, E. C. 3
Member Federal Reserve System
Member New York Clearing House Association
Member Federal Deposit Insurance Corporation

Both Common and Preferred shares have a par value of \$20 each. The Preferred is convertible into and has a preference over the Common to the extent of \$50 per share and accrued dividends.

Our War Economy

Washington, D. C.

SIGNIFICANT changes in the geographic distribution of the people and their economic activity have resulted from conversion to a war economy, a Commerce Department study, "Regional Shifts in Population, Production, and Markets 1939-43," shows.

The center of gravity of American economic life has shifted markedly westward and southward during the war. On the whole, wartime capital investment has tended to bring about a geographic diffusion of our industrial plant, with acceleration of long-term trends. Even before the war, new investment was flowing into the less industrialized regions more rapidly—relative to the amount of manufacturing already located there—than into the New England and Middle Atlantic States.

"Whether the relative gains in industrial importance made by some areas during the war will hold in the post-war era depends, in large measure, upon the extent to which war production facilities can or will be converted to civilian output, as well as upon the timing of conversion," the Department remarks.

The Commerce Department has been making other studies along the same line. In the Survey of Current Business for October and December appeared two articles on regional distortions and post-war sales territories.

HOLC Repayments to the Government

THE HOLC announces that its borrowers are steadily paying off their debts to the Government and its total investments in loans and properties are now reduced by 57 per cent.

During the 12 months ended October 31 HOLC reduced the volume of those investments at a greater rate than in any year since it began its liquidation program in 1936, with about 96,000 HOLC borrowers paying off their accounts in full. Nearly 28 per cent of the total loans made by the Corporation have now been completely paid off and approximately 95,000 borrowers are regularly making monthly payments above the amounts due.



where will I stand **IN THE POST WAR PICTURE?**

Will I be at the head of the parade or will competition have the edge?

For many it depends greatly on how fast the "change-over" to the manufacture of peacetime goods can be made and how quickly new plant construction or modernization can be started and completed.

If your plans call for any new construction or plant conversion or modernization, get your plans and specifications ready now.

Planning will be a bottle-neck if it is put off too long—the bottle-neck for peacetime prosperity for industries as well as individuals. Call in your architect, engineers and general contractor. This is blueprint time!

A general contractor who is an AGC member is reliable, and competent, and can give valuable assistance to your architect and engineers as well as construct your project efficiently and with economy.



THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA, INC.

NINETY CHAPTERS AND BRANCHES THROUGHOUT THE COUNTRY
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SKILL, INTEGRITY AND RESPONSIBILITY IN THE CONSTRUCTION OF BUILDINGS, HIGHWAYS, RAILROADS AND PUBLIC WORKS

OUR 45th



YEAR

Successful Trust Promotion

"209 persons have come to our Trust Department for additional information and an explanation of trust service. 30 have already executed wills naming our Bank."

In 1943 programs prepared by Purse, for successful Trust Departments, won awards in national competition on three occasions. We humbly repeat, resultful Trust Advertising is being done.

*Inquiries and investigations
are welcomed*

The PURSE Company

Headquarters for Trust Advertising
CHATTANOOGA, TENNESSEE

BUY WAR BONDS

North of the Border

Coupon rationing forms only part of the Canadian Government's wartime policy of distributing essential goods as equitably as possible. Consumers must have books of coupons to purchase tea, coffee, sugar, butter, meat, jams, jellies, canned fruit, etc., and gasoline, but retailers must replenish their stocks of many of these and other commodities in short supply under the conditions of a quota system.

The scheme, developed and administered by the Wartime Prices and Trade Board, requires manufacturers and wholesalers to distribute certain commodities to retailers on a basis proportionate to their purchases in 1941. The latter was selected as the year on which to base quotas because it represented a period in which there was a fair degree of prosperity throughout Canada. Prior to 1941 conditions were below what is now considered to be normal in wartime, and in 1942 a sharp and unprecedented increase in sales took place. Under the board's quota system a manufacturer, for example, who is able to get only 70 per cent as much material today as in 1941 must allot his output to each of his customers at the rate of 70 per cent of their purchases in 1941.

Variations from the 1941 basis may be made only with the permission of the Wartime Prices and Trade Board administrator of the trade concerned and with the concurrence of the retail and wholesale administrators. Suppliers are not allowed to accept new accounts until they have filled the current year's requirements of their basic year customers.

Retailers opening up in areas already well served may or may not receive a quota allotment. Those who entered territories in 1941 or 1942 which were inadequately provided for receive more favorable consideration. An application for an increase in a retailer's established quota is not granted until the Board ascertains whether or not the area as a whole receives a fair share of available supplies.

Fluctuations in population are the guiding factor in the Board's decisions. Although few communities show a major increase, allowances are made for changes in the number of ration books issued. If, however, the area is a small town near a large city and the demand can be filled from the trading area as a whole, the increase will not likely be approved. On the other hand, a retailer who purchases the business of another normally acquires the quotas previously assigned to the former owner.

A CANADIAN CORRESPONDENT

Leighton McCarthy, right, first envoy to represent Canada as an ambassador, calling at the White House to present his credentials, is greeted by Presidential Secretary Early



INTERNATIONAL
BANKING

... THE ... PHILADELPHIA NATIONAL BANK

Organized 1803

December 31, 1943

RESOURCES

Cash and due from Banks	\$194,923,456.95
U. S. Government Securities	431,727,627.03
State, County and Municipal Securities	13,591,981.47
Other Securities	30,551,508.93
Loans and Discounts	92,136,574.29
Bank Buildings	2,200,000.00
Accrued Interest Receivable	2,216,279.44
Customers Liability Account of Acceptances	1,043,506.00
	<u>\$768,390,934.11</u>

LIABILITIES

Capital Stock	\$ 14,000,000.00
Surplus	21,000,000.00
Undivided Profits	14,681,251.96
Reserve for Contingencies	3,016,856.57
Reserve for Taxes	2,605,365.32
Dividend (Payable Jan. 3, 1944)	875,000.00
Unearned Discount and Accrued Interest	164,704.06
Acceptances	1,382,528.45
Deposits	
United States Treasury	\$89,160,372.36
All Other Deposits	<u>621,504,855.39</u>
	<u>710,665,227.75</u>
	<u>\$768,390,934.11</u>

EVAN RANDOLPH, *President*

MEMBER OF THE FEDERAL DEPOSIT INSURANCE CORPORATION

Philadelphia, Pa.

Postwar National Debt:
\$300,000,000,000
 How will it affect business?

STUART CHASE

Gives his own incisive analysis
 of the hotly-debated question

WHERE'S THE MONEY COMING FROM?

Our economy is geared to a national output of goods and services of around \$150 billions. So long as it stays high, we can avoid a crash. How can we make sure of maintaining high employment and high production? How can we finance our debt, taxes, and an expanding economy? *Where's the money coming from?* Stuart Chase, in bold thinking and lucid writing, tells how he thinks we might make the national debt an asset . . . how we can keep private enterprise the heart of our business system . . . and use the powers of government to underwrite prosperity for all America. Send for your copy of this challenging book today!

At all booksellers or attach a dollar bill to this advertisement and mail to

THE TWENTIETH CENTURY FUND
 330 W. 42nd Street New York 18

NASHVILLE

A KEY CITY IN THE
 CENTRAL SOUTH

Bankers and Industrialists

Will find their relations with this bank helpful in the efficient handling of their banking business in this inner defense area. We invite an opportunity to serve you.

A Key Bank in the Central
 South with resources over
 135 Million Dollars

AMERICAN
 NATIONAL
 BANK

Member Federal Deposit
 Insurance Corporation

Your Reading

Weapon of the Democracies

LEND-LEASE: Weapon for Victory.
 By E. R. Stettinius, Jr. Macmillan. 347
 pp. \$3.

HERE is the story of a gigantic piece of war machinery that has been of immeasurable value to the United Nations. Mr. Stettinius, former Lend-Lease Administrator and now Under Secretary of State, brings together the history and the many activities of that highly useful weapon. He relates many incidents of the war's more critical days and pictures the operations of lend-lease not only against Hitler but also on the roads to Tokyo.

As for the post-war settlement, Mr. Stettinius says that although lend-lease operations "will some day draw to a close," we now know that "the principle of mutual aid in mutual self-interest that is embodied in the Lend-Lease Act must live on." It was never intended as a way of doing peacetime business, but he thinks that in carrying on the program we've learned "much that will be of great value to a wider peacetime trade." A settlement that opens new opportunities "for a more prosperous America in a more prosperous world will be worth more than all the gold and the materials we have expended in the war."

Taxes

MONTGOMERY'S FEDERAL TAXES ON CORPORATIONS, 1943-44. By Robert H. Montgomery. Ronald Press, New York. 2 Vols. \$15.

THIS 22nd issue of Mr. Montgomery's hardy perennial covers with familiar thoroughness a field where most of us easily lose ourselves. He himself, in a sprightly preface, calls attention to the need for improvements and reforms in the tax law—in short, for a real overhauling.

Volume I of this work has to do with gross income and deductions, volume II with tax determination and returns.

Commercial Laws

CREDIT MANUAL OF COMMERCIAL LAWS 1944. National Association of Credit Men, New York. 800 pp. \$6.50.

ANOTHER annual, first published 36 years ago, presents all the necessary information about new and revised state laws and Federal Government regu-

lations having a direct bearing on trade.

State laws on bonds required on public improvements have been reinstated in this edition because of the possibility the war will end suddenly and public works programs will be resumed in order to provide work for returned soldiers.

Accounting Handbook

HANDBOOK OF ACCOUNTING METHODS. Edited by J. K. Lasser. D. Van Nostrand Company, New York. 1331 pp. \$10.

THIS looks like something new, and particularly usable, in accounting books. Mr. Lasser enlisted the aid of experts in some 70 specific industries to describe their respective accounting practices. The volume also contains a non-technical outline of the need for accounting systems, the objectives of the various records, procedures that make up an accounting system, and a description of the type of tax and regulatory material that affects the construction and design of financial and record-keeping systems.

Life Insurance

HANDBOOK OF LIFE INSURANCE. Institute of Life Insurance and G. P. Putnam's Sons. A non-technical pamphlet that answers important questions for people seeking information about life insurance. Single copies are supplied gratis by the Institute to instructors or educational officials who need the material in connection with study courses. There is a nominal charge for quantities. Putnam's publishes a cloth bound edition.

Books Received

GEOGRAPHY FOR THE BUSINESSMAN. By Eugene Van Cleef. Harper & Brothers, New York. 237 pp. \$2.75. The professor of geography at Ohio State University makes a fresh approach to economic and commercial geography.

STATISTICAL ADJUSTMENT OF DATA. By W. Edwards Deming. John Wiley & Sons, Inc., New York. 255 pp. \$3.50. A combination reference and text on statistical method. Dr. Deming is connected with the Bureau of the Census and the Bureau of the Budget, Washington, D.C.

FORWARD TOGETHER TO VICTORY

1944

"THEIR" *Crucial Test...*




4TH WAR LOAN DRIVE

JANUARY 18TH to FEBRUARY 15TH

"The PEOPLE'S" *Crucial Test...*



**★ BACK OUR FIGHTERS
WITH YOUR DOLLARS ★**

SALUTIS		WRITERS OF FIRE AND CASUALTY INSURANCE AND BONDS		ANCHORA	
AMERICAN CENTRAL INSURANCE COMPANY <small>ORGANIZED 1893</small>	THE OCEAN ACCIDENT AND GUARANTEE CORP. LTD. <small>ORGANIZED 1871</small>	THE CALIFORNIA INSURANCE COMPANY <small>ORGANIZED 1864</small>	THE PALATINE INSURANCE COMPANY LTD. <small>ORGANIZED 1888</small>	THE BRITISH GENERAL INSURANCE CO. LTD. <small>ORGANIZED 1904</small>	UNION ASSURANCE SOCIETY LTD. <small>ORGANIZED 1714</small>
THE COMMERCIAL UNION FIRE INSURANCE CO. <small>ORGANIZED 1890</small>	COLUMBIA CASUALTY COMPANY <small>ORGANIZED 1920</small>				
COMMERCIAL UNION ASSURANCE COMPANY LTD. <small>ORGANIZED 1861</small>					
MEMBERS OF THE COMMERCIAL UNION GROUP					

NEW YORK

CHICAGO

ATLANTA

SAN FRANCISCO

HEAD OFFICES, ONE PARK AVENUE, NEW YORK, N. Y.

"These times have certainly taught us the value of copper and brass"



"When John and I built our home back in 1935, thank goodness we didn't skimp on tried-and-true materials like brass pipe plumbing and copper gutters. Our home has been a joy, especially during this war period when it's been so hard to replace things."

"John says our copper gutters and leaders and chimney flashing are still as good as new. We haven't spent a nickel on upkeep, except for clearing out leaves. And I can vouch for the way bronze screens last—ours are still in excellent condition."



People who see, read and heed this advertisement in **Better Homes and Gardens** and in **American Home** are the kind of people whose names you will want on mortgage contracts. You need the security of copper and brass as much as they.



"Just take plumbing—something a housewife lives with 24 hours a day. We've never had a worry with our brass pipes... no rust-clogging... no rusty-red water. I can't help but realize how fortunate we are when I compare our experience with the Ralston's next door who have had so much trouble with rust."

"And now, we are thinking of building a new home when the war's over—one with a little more ground. We're collecting ideas and laying aside war bonds. One thing sure—there's going to be plenty of copper and brass used. After all, the upkeep we've saved helped pay for plenty of our bonds."



When the red metal gets the green light...

Today war needs get first call on all production of copper and copper alloys. But with victory, Anaconda Copper, Brass and Bronze in many forms of usefulness and durability will be waiting for architects and builders. The same type of research that pioneered brass pipe plumbing, that paved the way for low-cost copper tubing, is carrying on now to serve postwar home owners.

LOOK HOW FAR A WAR BOND WILL GO IN MAKING YOUR HOME RUSTPROOF!
In building an average 6 or 7 room house, a one-hundred dollar bond will more than cover the extra cost of:
COPPER tubes for both hot and cold water pipes.
COPPER gutters and leaders.
COPPER flashing around chimneys.
BRONZE screens for all windows and doors.
What better investment for one of your bonds? Save today to make your postwar home rustproof.

THE AMERICAN BRASS COMPANY
General Offices: Waterbury 88, Connecticut
Subsidiary of **Anaconda Copper Mining Company**
In Canada: **ANACONDA AMERICAN BRASS LTD.**, New Toronto, Ont.

Anaconda Copper & Brass

Heard Along Main Street

The Borie—Sub Fight

HERE is an eye-witness account of the battle between the destroyer *Borie* and a Nazi submarine, from a man who stood on the *Borie's* bridge with Lt. Commander Charles H. Hutchins. He is EDWARD NELSON MALANEY, JR., SM 2-C, former City Bank Farmers Trust branch man, New York City, the lad who, when the huge pig-boat was pinned under the *Borie*, commented: "My God, what have we here—the *Bremen*?"

In *Number Eight*, the bank magazine, Signalman MALANEY writes:

"It was a grand fight. I was on the bridge of the *Borie*, so close to the sub I felt I could almost touch him. (They always refer to a U-boat as 'he.') He couldn't have been more than 10 feet away.

"First we rode over him and pinned him under our bow. I saw five Germans come clambering out of the conning tower and make for the deck gun. They didn't get very far. We were hitting them with everything we had—20 mm's and 4-inch cannon.



Signalman Malaney

"After it was over, one of my mates asked me: 'You know that knife I had?' I said 'Yeah.' 'Well, I haven't got it any more,' he said. 'Where is it?' I asked. He said 'Inside a German, I threw it at him.'

"When we went astraddle him, I could have spit right down in the conning tower, we were that hung together. Then we slid off and came around side by side, cheek to cheek.

"The Germans were yelling and running around like crazy. Time after time some of them would get to the guns—

there were seven machine guns on the conning tower. But they could never last to fire more than four or five seconds before we mowed 'em down.

"They passed out guns to us on the bridge, and I was handed a double-barreled shotgun. I turned it over to a guy who had been a farmer and knew better what to do with it. Then the *Borie* blasted the sub to the bottom."

★

It's February in "Paradise"

FROM *Out of the Mail Bag*, service paper of the Continental Illinois National Bank and Trust Company, Chicago, comes another glimpse of what the travel agent called "paradise." First Lieutenant A. V. SWANSON, former banker and Chicagoan, writes: "I am somewhere in the South Pacific, and at present I'm assigned to a task force—still commanding the company I brought from the States.

"We have seen plenty of the old globe since leaving, but none to compare with Chicago. My present location takes top prize for being 'the' green hell of the world. It is difficult to say which is the toughest—the Nips or the environment. During the last air raid my boys couldn't decide which was the worst, the shrapnel or the mosquitoes and spiders. . . .

"My thoughts are always drifting back to the pleasant years I spent at the bank and to the friends I left there. I still carry the Continental's celluloid calendar and use it to orient myself with the happenings back home as well as to determine what day it is out here in the South Pacific.

"Days have a funny habit of getting mixed up here, and the calendar is almost as valuable as a compass. I hope the bank can arrange to send a 1944 calendar to the boys overseas."

Miss Krieg Promoted

CATHERINE M. KRIEG, secretary to ROBERT V. FLEMING, president of the Riggs National Bank, Washington, D. C., was recently appointed to the roster of officers as assistant cashier of the bank.



Assistant Cashier Krieg

Miss KRIEG has served the Riggs in various departmental and secretarial capacities since 1920. She has been active in A.I.B. work and is five times winner of the annual essay contests conducted by the District of Columbia Bankers Association.

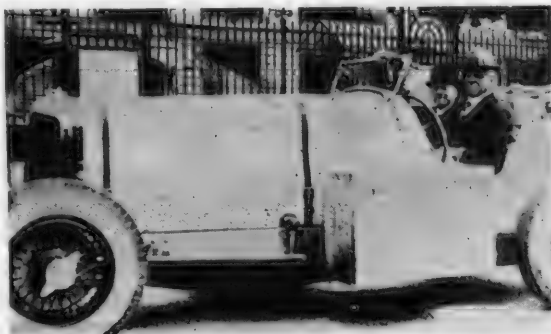
★

A Diesel Pioneer

WILLIAM G. IRWIN, nationally prominent industrialist, financier and philanthropist and one of the key figures in the development of this country's Diesel engine industry, died suddenly in his offices at the Indiana National Bank, Indianapolis, of which he was president.

The story of Mr. IRWIN's part in the
(CONTINUED ON PAGE 81)

William G. Irwin behind the wheel of a Diesel-powered auto during a tour of Europe in 1932. With him is Andre Citroen



Report of Condition of
THE MANUFACTURERS NATIONAL BANK
 OF DETROIT in the State of MICHIGAN

AT THE CLOSE OF BUSINESS DECEMBER 31, 1943, PUBLISHED IN RESPONSE TO CALL MADE
 BY COMPTROLLER OF THE CURRENCY, UNDER SECTION 5211, U. S. REVISED STATUTES

DIRECTORS

CHARLES K. BARTOW
*Senior Vice President,
 Manufacturers National
 Bank*

B. J. CRAIG
*Vice President and
 Treasurer, Ford Motor
 Company*

GEORGE R. FINK
*President, National Steel
 Corporation*

*BENSON FORD
*Director, Ford Motor
 Company*

SHERWIN A. HILL
*Hill, Hamblen,
 Essery & Lewis*

CHARLES A. KANTER
*President, Manufacturers
 National Bank*

GEORGE W. KENNEDY
*President, Kelsey-Hayes
 Wheel Company*

CLIFFORD B. LONGLEY
*Bodman, Longley, Bogle,
 Middleton & Armstrong*

MURRAY W. SALES
*President, Murray W.
 Sales & Company*

HENRY H. SANGER
*Chairman of the Board,
 Manufacturers National
 Bank*

WESSON SEYBURN
Detroit

*Serving with the Armed
 Forces.

BUY MORE
 WAR BONDS

ASSETS

Loans and discounts (including \$9,506.68 overdrafts)	\$ 43,929,759.19
United States Government obligations, direct and guaranteed	286,432,051.87
Obligations of States and political subdivisions	859,977.08
Other bonds, notes, and debentures	4,469,494.37
Corporate stocks (including \$255,000.00 stock of Federal Reserve Bank)	354,500.00
Cash, balances with other banks, including reserve balance, and cash items in process of collection	119,431,283.33
Bank premises owned \$575,349.68, furniture and fixtures \$1.00	575,350.68
Other assets	861,345.23
TOTAL ASSETS	\$456,913,761.75

LIABILITIES

Demand deposits of individuals, partnerships, and corporations	\$309,172,487.61
Time deposits of individuals, partnerships, and corporations	51,775,979.42
Deposits of United States Government	34,741,542.59
Deposits of States and political subdivisions	16,621,377.76
Deposits of banks	30,141,669.46
Other deposits (certified and cashier's checks, etc.)	2,861,118.89
TOTAL DEPOSITS	\$445,314,175.73
Other liabilities	924,532.58
TOTAL LIABILITIES	\$446,238,708.31

CAPITAL ACCOUNTS

Capital stock, common, total par	\$ 3,000,000.00
Surplus	5,500,000.00
Undivided profits	1,641,257.52
Reserves	533,795.92
TOTAL CAPITAL ACCOUNTS	10,675,053.44
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	\$456,913,761.75

MEMORANDA

Pledged assets (and securities loaned) (book value):	
U. S. Government obligations, direct and guaranteed, pledged to secure deposits and other liabilities	\$ 67,974,878.52
Assets pledged to qualify for exercise of fiduciary or corporate powers, and for purposes other than to secure liabilities	251,812.34
TOTAL	\$ 68,226,690.86
Secured liabilities:	
Deposits secured by pledged assets pursuant to requirements of law	\$ 34,359,787.66

State of Michigan, County of Wayne, ss:

I, R. C. Wandel, Cashier of the above-named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief.

R. C. Wandel, Cashier

Sworn to and subscribed before me this
 3rd day of January, 1944

CORRECT—Attest:

SEAL P. S. Johnson, Notary Public

Henry H. Sanger
 Charles A. Kanter
 Clifford B. Longley *Directors*

OFFICES IN DETROIT, DEARBORN AND HIGHLAND PARK

Member Federal Deposit Insurance Corporation

MAIN STREET—Continued

development of the high speed diesel engine had its beginning a quarter of a century ago and it forms an interesting chapter in a remarkable career which included participation in many industrial, financial, political, educational, religious and philanthropic activities from coast to coast.

In 1918, Mr. IRWIN employed as a chauffeur a young man whose ambition was to develop a high speed diesel engine suitable for trucks, buses, small boats and other types of mobile equipment too small to accommodate the cumbersome engines of that day. Always interested in new developments which promised the advancement of industry, Mr. IRWIN became convinced of the soundness of the young man's ideas and gave freely of his encouragement and financial backing.

The young man's name was Clessie L. Cummins and out of his early association with Mr. IRWIN grew the Cummins Engine Company and the Cummins diesel engine, which pioneered the use of diesel power in highway transportation and many other industries.

Although always preferring to remain in the background, Mr. IRWIN, as chairman of the board of directors, was continuously active in the company until his death at the age of 77.

Although his extensive interests and holdings were scattered the country over, Columbus was the hub of Mr. IRWIN's activities throughout his lifetime. There are located the Irwin-Union Trust Company, founded by his father, J. I. Irwin, and the general offices of the Union Starch and Refining Company, both of which he served as president.

The Gay Nineties Sextette in the Federal Reserve Revue, staged at a party given by Cleveland Chapter, American Institute of Banking. Standing, left to right, Walter Shellenberger, William Dauble, James Sanford; seated, left to right, William Caley, Howard Potter, Edison Peck



Whatdayuh Do in the Seabees?

According to Seabee GEORGE POINTON, formerly of the Rochester (New York) Trust Company, Seabee units are the fightin'est men. Says he:

"Ours is the job of loading, packing, checking all the materials used by the far-flung bases of the Navy and Marines. When the Marines go in and establish a beachhead, we follow right on their heels and land the stuff they need to maintain it and everything to keep them going.

"We have to know how to conserve space, save time and keep track of every item of our cargo. When the Marines hit that beach and call for a 50 mill. ammunition they don't want 30 caliber

sent. If they don't get what they want when they need it—then no more Marines. The Japs also know what our job is and don't think they haven't tried to stop us; that's how many of our boys 'got it.' We also keep established bases supplied, and they're growing every day—and this is a big world."

★

He's Flying a British Fighter

Fighter Pilot TOMMY WATTS reports in the *Round-Up*, servicemen's news of the Valley National Bank of Tulsa, Oklahoma:

"Finally my wish has come true and I am now in a fighter outfit. Testing was great fun and I owe a lot to it, having

Guaranty Trust Company of New York

Fifth Ave. at 44th St. 140 Broadway Madison Ave. at 60th St.

London: 11 Birchin Lane, E. C. 3; Bush House, W. C. 2

Condensed Statement of Condition, December 31, 1943

RESOURCES

Cash on Hand, in Federal Reserve Bank, and	
Due from Banks and Bankers	\$ 563,906,253.23
U. S. Government Obligations	1,959,786,746.17
Loans and Bills Purchased	610,781,083.01
Public Securities	\$ 55,903,665.64
Stock of the Federal Reserve Bank	7,800,000.00
Other Securities and Obligations	22,543,260.98
Credits Granted on Acceptances	1,307,171.87
Accrued Interest and Accounts	
Receivable	8,481,089.12
Real Estate Bonds and Mortgages	1,654,511.52
	97,689,699.13
Bank Buildings	10,276,388.19
Other Real Estate	931,342.13
Total Resources	\$3,243,371,511.86

LIABILITIES

Capital	\$ 90,000,000.00
Surplus Fund	170,000,000.00
Undivided Profits	31,391,853.78
Total Capital Funds	\$ 291,391,853.78
Deposits	\$2,864,787,057.90
Treasurer's Checks Outstanding	39,006,978.49
Total Deposits	2,903,794,036.39
Federal Funds Purchased	26,700,000.00
Acceptances	\$ 3,456,733.08
Less: Own Acceptances	
Held for Investment	2,149,561.21
	\$ 1,307,171.87
Liability as Endorser on Acceptances and Foreign Bills	96,896.00
Foreign Funds Borrowed	152,550.00
Dividend Payable January 3, 1944	2,700,000.00
Items in Transit with Foreign Branches and Net Difference in Balances between Various Offices Due to Different Statement Dates of Foreign Branches	2,356,675.51
Accounts Payable, Reserve for Expenses, Taxes, etc.	14,872,328.31
	21,485,621.69
Total Liabilities	\$3,243,371,511.86

Securities carried at \$637,497,563.63 in the above Statement are pledged to qualify for fiduciary powers, to secure public moneys as required by law, and for other purposes.

This Statement includes the resources and liabilities of the English Branches as of December 26, 1943, French Branches as of October 31, 1942, and Belgian Branch as of October 31, 1941.

Member Federal Deposit Insurance Corporation

had the opportunity to fly every type of plane from Fortress to Cub.

"But there is something about a squadron that makes you feel it's half a home and half a fraternity. Never have I experienced, nor have I read of, an instance that brought men closer together. I am fortunate to have found something to make me feel there's no nicer way to fight a war.

"I am new and green, but have had 26 sorties and 39 operational hours. All of the boys feel proud and unique, being one of the American groups flying British fighters. Perhaps our squadron won't produce any outstanding heroes, but we feel that from our squadron will

arise no outstanding or even trivial Axis hero."

★

Send It Overseas

Here's an instance which helps you understand the unselfish camaraderie in the armed forces. A letter from former banker Pfc. RICHARD ZAVITZ, reprinted in *The Corings*, writes his former associates at the National Bank of Tulsa, Oklahoma:

"The request I am about to make may sound strange to you, but please do not misunderstand and think me ungrateful. It isn't that. It's just that I happen to know from experience some

things you perhaps do not know. In the future when you want to send me cigarettes, as you have done so often in the past, please do me a favor and address them to some one of the boys overseas—and I will be mighty satisfied with a card."

★

Some Impressions of Alaska

Warrant Officer FLOYD F. WACHA, former Chase National Bank Branch man, gives a picturesque description of his new billet up in Alaska in a recent issue of *The Chase Magazine*:

"This seems like another world, a mixture of many lands—a bit of the Rockies, Norwegian fjords, Scotland's chill, Switzerland's ski bowls, and white stretches of Siberia and Lapland. This country is still filled with mystery, and there remain many secrets to be learned by the adventurous.

"No man-made fireworks can duplicate the swaying, floating draperies and darting shafts of frosty light of the aurora borealis. Nowhere else can you see the score of white-coned volcanoes, twins of Japan's Fujiyama, the smoking Aleutian chain which is the largest and straightest single line of volcanoes on the globe; the hot springs that bubble near deep fjords; and peanuts growing in semi-tropical soil created by hot springs within 50 miles of the Arctic circle.

"Then there is the disappearing island of volcanic Bogoslof, which erupts, disappears, and reappears a few miles away.

"It is no trite remark to say that, up here, man's best friend is the sled dog. His instinct of direction and danger make it possible for humans to exist in the drifting, changing wastelands of snow and ice. I could go on indefinitely, but I could never tell you all of the wonders and possibilities of this part of our country."

William G. Green, president of the New York Savings Bank, left, gives the 10,000th savings bank life insurance policy to Gilbert Sonbergh of White Plains, New York



Statement of Condition

At the Close of Business
December 31, 1943

ASSETS

Cash on Hand and Due from Banks	\$ 71,389,842.79
United States Securities Owned	119,173,867.72
Stock in Federal Reserve Bank	330,000.00
Other Stocks and Bonds	1,290,029.29
Loans and Discounts	60,626,194.82
Furniture and Fixtures	244,496.71
Banking House	2,145,000.00
Other Real Estate	112,750.00
	\$255,312,181.33

LIABILITIES

Capital Stock	\$ 5,000,000.00
Surplus Fund	6,000,000.00
Undivided Profits, Net	5,037,763.90
Reserved for Taxes, Etc.	869,643.99

Deposits

Individual	\$128,472,955.60
Banks and Bankers	81,160,470.31
U. S. Government	28,771,347.53
	238,404,773.44
	\$255,312,181.33

FIRST NATIONAL BANK
in DALLAS MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Make Way for City Planners

Back of city planning and post-war development programs stands invariably the banker. One good example of the initiative taken by local bankers to boost their communities comes in a report from Fargo, North Dakota. Already a transportation terminal to the Pacific Coast, Fargo has gone to bat to help Northwest Airlines, Inc., get approval of an application to extend its service eastward from Chicago to the Atlantic Coast, making a full-fledged transcontinental service.

Prime movers of the plan are FRED A. IRISH, president of the First National Bank of Fargo and of its clearinghouse association; FRANK R. SCOTT, head of the Merchants National; EARL L. SHAW, Fargo National's president; and Presidents BILL STERN of the Dakota National and H. H. WOOLIDGE of Northwestern Mutual.

★

Col. Simmonds Retires

(CONTINUED FROM PAGE 33)

ertain for him was expressed by the state bankers association secretaries at their annual meeting last September. In anticipation of his retirement they presented him with an appropriately engraved silver fruit bowl and an embossed scroll.

Col. Simmonds is a product of the grass roots. He was born several miles from the village of Cedar in Smith County, Kans.

His life was that of a typical poor farm boy of the last generation. He worked on his father's homestead and got his elementary education in a sod schoolhouse. He worked his way through Smith Center High School by doing chores, and at 17 was teaching in the county school.

By teaching in the Winter and attending college in the Summer, Frank worked his way through college over a period of seven years, graduating from Salina Normal University in 1902 with the bachelor of science degree. He took graduate studies at the University of Kansas and obtained a master of science degree.

Upon graduation from college, the Colonel became superintendent of schools at Mankato, Kans., and during this period from 1902 to 1913 was also a member of the Kansas State Board of Education, in which capacity he conducted numerous county teachers institutes and managed a circuit of Chatauquas. In 1913 he moved to Lewiston, Ida., where he became superintendent of schools and there he inaugurated the

junior high school movement. While in Lewiston he served as president of the Idaho Teachers Association and as a member of the board of directors of the National Education Association. He also wrote school textbooks.

In World War I he was in Washington as Deputy Food Administrator under Herbert Hoover. After the war he became secretary of the eastern section of the U. S. Chamber of Commerce.

It was while serving with the Chamber that he became a fast friend of the late John H. Puelicher, then president of the Marshall & Ilsley Bank of Milwaukee, long a leader in A.B.A. activities, interested in education and popularly

known as father of the American Institute of Banking. Mr. Puelicher persuaded Mr. Simmonds to contribute his talents to banking through the medium of the A.B.A.

During all these years Col. Simmonds' qualities of heart and mind have won him a host of warm friends and admirers throughout the country.

Two years ago he acquired a country home with a few acres at Flemington, N. J., where he lives with his daughter Helen, and close by are his other two daughters and their families.

He plans to devote himself to the life of a country gentleman and a Victory Garden farmer.

THE FORT WORTH NATIONAL BANK FORT WORTH, TEXAS

★

STATEMENT OF CONDITION AT THE CLOSE OF BUSINESS
DECEMBER 31, 1943

★

RESOURCES

CASH AND DUE FROM BANKS	\$ 39,189,987.71
UNITED STATES GOVERNMENT SECURITIES:	
BILLS	\$ 8,230,223.20
CERTIFICATES	15,663,346.38
NOTES	9,243,015.63
BONDS	18,277,228.14
	51,413,813.35
OBLIGATIONS OF STATES AND POLITICAL SUBDIVISIONS	2,398,370.53
OTHER BONDS, NOTES, AND DEBENTURES	199,866.81
STOCK FEDERAL RESERVE BANK	124,500.00
LOANS AND DISCOUNTS	25,357,127.58
INCOME EARNED — UNCOLLECTED	152,066.65
BANKING HOUSE	\$ 1,500,000.00
FURNITURE AND FIXTURES	1.00
OTHER REAL ESTATE	1.00
CUSTOMERS' LIABILITY — LETTERS OF CREDIT	163,225.91
OTHER RESOURCES	34,827.11
TOTAL	<u>\$120,533,787.65</u>

LIABILITIES

DEPOSITS:	
INDIVIDUAL	\$71,162,034.68
BANK	27,724,722.38
U. S. GOVERNMENT	12,450,593.19
OTHER PUBLIC FUNDS	2,921,861.65
	\$114,259,211.90
LETTERS OF CREDIT ISSUED	163,225.91
INCOME COLLECTED — UNEARNED	38,256.80
RESERVE — INTEREST, TAXES, AND EXPENSES	286,600.19
RESERVE — TO COVER ALL BOND PREMIUMS	266,135.82
OTHER LIABILITIES	6,525.26
CAPITAL ACCOUNT:	
COMMON STOCK	\$ 2,500,000.00
SURPLUS	1,750,000.00
UNDIVIDED PROFITS	513,831.77
RESERVE FOR CONTINGENCIES	750,000.00
	5,513,831.77
TOTAL	<u>\$120,533,787.65</u>

U. S. Government and other securities carried at \$26,943,864.23 in the above statement are deposited to secure public funds and for other purposes required or permitted by law.

Member Federal Deposit Insurance Corporation

Have You Heard?

Promotions and changes in the official families of banks have been unusually numerous and important this year. Because of space limitations, BANKING can mention only a few.



R. C. Downie



C. O. Clough



B. M. Wingfield

LT. COLONEL ROBERT C. DOWNIE, district chief of the Pittsburgh Ordnance District, was recently elected president of the Peoples-Pittsburgh Trust Company, replacing GWILYM A. PRICE, who resigned to accept a vice-presidency with the Westinghouse Electric and Manufacturing Company. COLONEL DOWNIE was vice-president of the bank from

1938 to 1940, when he received his commission and got a leave of absence.

GEORGE BUFFINGTON, former assistant to the Secretary of the Treasury, has been made executive vice-president of The National City Bank of Cleveland. Mr. Buffington, whose Treasury job was primarily concerned with the sale

of War Bonds, joined the bank's staff as vice-president last August.

HAROLD J. MARSHALL, secretary of the New York State Bankers Association, has been appointed assistant vice-president of the Bankers Trust Company, New York City.

RUDOLPH J. RUDDER, formerly with Rand McNally & Company, has returned to the *Southern Banker* as associate publisher.

CHARLES O. CLOUGH, comptroller of the Manufacturers Trust Company, New York, since 1929, has been made a vice-president.

B. MAGRUDER WINGFIELD, for several years an assistant general attorney to the Board of Governors of the Federal Reserve System, has accepted a position as vice-president and director of the National Bank of Commerce of Houston, Texas.

MISS DORCAS CAMPBELL, director of the public relations and service departments of the East River Savings Bank, New York, has been made an assistant secretary.

G. FRED BERGER resigned as treasurer of the Norristown-Penn Trust Company, Norristown, Pennsylvania, effective January 31, to represent the Energetic Worsted Corporation of Bridgeport, Pennsylvania, in South America. His headquarters will be at Montevideo, Uruguay. Mr. Berger has been an instructor at The Graduate School of Banking for several years.

GEORGE W. FRAKER has retired as a vice-president of the National City Bank of New York.

IRVING A. J. LAWRES has been made a vice-president of The Manhattan Savings Bank, New York. He was formerly assistant vice-president.

A. A. ROGERS has been reappointed to a four-year term as State Superintendent of Banks of Oregon.

HUGH E. POWERS, cashier, Lincoln Bank and Trust Company, Louisville, Kentucky, is now president of the National Association of Bank Auditors and Comptrollers.

HUGH MCK. LANDON, chairman of the board, Fletcher Trust Company of Indianapolis, was recently chosen a director of Phi Beta Kappa Associates.

THE NORTHERN TRUST COMPANY

CHICAGO

Statement of Condition, December 31, 1943

RESOURCES

Loans and Discounts.....	\$ 44,354,665.06
U. S. Government Securities.....	287,002,417.28
Other Bonds and Securities.....	91,109,561.42
Federal Reserve Bank Stock.....	270,000.00
Bank Premises.....	1,400,000.00
Customers' Liability, Account Letters of Credit and Acceptances.....	207,089.32
Other Resources.....	687,428.00
Cash and Due from Banks.....	122,531,729.09
TOTAL.....	\$547,562,890.17

LIABILITIES

Capital Stock.....	\$ 3,000,000.00
Surplus Fund.....	6,000,000.00
Undivided Profits.....	6,218,195.32
Reserve for Taxes, Interest, etc.....	12,124,591.19
Dividend Payable Jan. 3, 1944.....	135,000.00
Letters of Credit and Acceptances Outstanding..	282,874.46
Other Liabilities.....	119,737.67
Deposits:	
Demand.....	\$371,779,654.48
Time.....	86,963,568.16
U. S. Government.....	60,939,268.89
TOTAL.....	\$547,562,890.17

United States Government securities carried in the above statement at \$68,831,546.90 are pledged to secure public and other monies, as required by law; and United States Government and other securities carried at \$540,419.51 are deposited with the State Authorities under the Trust Act.

Member Federal Deposit Insurance Corporation

BUY WAR BONDS

New Issues • 1943

Purchased and offered by Halsey, Stuart & Co. Inc. alone or with associates

Municipal Issues (Partial List)		Amount of Issue	Corporate Issues	Underwriting Interest
† \$ 1,269,000	ALBANY COUNTY, N. Y. 1.60 % Bonds, Due 1943-62	† \$15,000,000	ATLANTA AND CHARLOTTE AIR LINE RAILWAY COMPANY.	\$3,450,000
• 22,111,000	ARKANSAS, STATE OF 3 % & 3 1/4 % Bonds, Due 1946-72	† 10,597,000	First Mortgage 3 3/4 % Bonds, Due 1963	
† 10,000,000	BOSTON, MASS., CITY OF 0.62 % & 0.67 % Notes, Due 1943 (Two Issues)	† 25,000,000	BALTIMORE AND OHIO RAILROAD EQUIP. MENT TRUST SERIES M	2,945,000
† 600,000	BUENA VISTA COUNTY, IOWA 1 % Bonds, Due 1948-50	† 5,200,000	3 % Equipment Trust Certificates, Due 1943-53	
• 550,000	CALHOUN COUNTY, IOWA 0.50 % Bonds, Due 1948-50	† 1,960,000	CENTRAL POWER AND LIGHT COMPANY	3,175,000
• 150,000	CAMBRIA COUNTY, PENN. 1 % Bonds, Due 1944-46	† 10,000,000	First Mortgage Bonds, Series A, 3 1/4 %, Due 1973	
† 500,000	CHEROKEE COUNTY, IOWA 1 % Bonds, Due 1948-50	† 6,700,000	CHESAPEAKE AND OHIO RAILWAY EQUIPMENT TRUST OF 1943	3,610,000
† 850,000	CRANSTON, R. I., CITY OF 1 3/4 % Bonds, Due 1944-83 Discount Notes, Due 1943	† 15,000,000	1 3/4 % Serial Equip. Trust Certificates, Due 1944-53	
• 160,000	CUMBERLAND COUNTY, ME. 1 1/4 % Bonds, Due 1944-59	† 5,300,000	CINCINNATI, NEW ORLEANS AND TEXAS PACIFIC RAILWAY EQUIPMENT TRUST SERIES J	960,000
† 1,200,000	FRANKFORT, KY., CITY OF 1 1/4 % Water & Electric Revenue Bonds, Due 1968; Opt. 1946	† 2,025,000	1 3/4 % Equip. Trust Certificates, Due 1943-53	
† 2,075,000	HOT SPRINGS, ARK., CITY OF 3 % Water Rev. Bonds, Due 1945-83	† 20,500,000	ERIE RAILROAD COMPANY	5,000,000
† 400,000	HUMBOLDT COUNTY, IOWA 0.75 % Bonds, Due 1948-50	† 52,000,000	3 1/8 % Secured Serial Notes, Due 1944-53	
† 200,000	IDA COUNTY, IOWA 1 % Bonds, Due 1948-50	† 45,000,000	GULF, MOBILE AND OHIO RAILROAD COMPANY Collateral Trust Bonds, Series A	3,304,000
† 200,000	JACKSONVILLE, FLA., CITY OF 1 3/4 % Bonds, Due 1959	† 2,025,000	3 %, 3 1/2 % & 3 3/4 %, Due 1944-53	
• 150,000	LA CROSSE, WIS., CITY OF 1 % Bonds, Due 1944-53	† 5,790,000	ILLINOIS CENTRAL EQUIPMENT TRUST SERIES W	3,840,000
† 250,000	LYON COUNTY, IOWA 0.75 % Bonds, Due 1948-50	† 20,500,000	2 1/2 % Equip. Trust Certificates, Due 1944-51	
• 242,000	MIDDLESEX COUNTY, N. J. 1 1/4 % Bonds, Due 1944-58	† 52,000,000	NEW YORK CENTRAL RAILROAD EQUIPMENT TRUST OF 1943	600,000
† 2,700,000	MINNESOTA, STATE OF 1.10 % Cfs. of Ind., Due 1951-53; Opt. 1946	† 2,025,000	2 % Equip. Trust Certificates, Due 1944-53	
• 105,000	MONTGOMERY COUNTY, MD. 0.80 % Certificates, Due 1944-46	† 45,000,000	NEW YORK, CHICAGO AND ST. LOUIS RAILROAD SECOND EQUIPMENT TRUST OF 1943	2,025,000
• 225,000	NORTHUMBERLAND COUNTY, PENN. 1 1/4 % Bonds, Due 1944-52	† 5,790,000	2 1/2 % Serial Equip. Trust Certificates, Due 1944-58	
• 152,000	PORTSMOUTH, OHIO, CITY OF 1 1/4 % Bonds, Due 1948-57	† 20,500,000	NORTHERN INDIANA PUBLIC SERVICE COMPANY First Mortgage Bonds, Series C, 3 1/4 %, Due 1973	6,750,000
• 180,000	RICHMOND, IND., CITY OF 1 1/4 % Bonds, Due 1944-57	† 52,000,000	PENNSYLVANIA RAILROAD EQUIPMENT TRUST SERIES N	1,135,000
† 250,000	SAC COUNTY, IOWA 1 % Bonds, Due 1948-50	† 20,500,000	2 1/4 % Equip. Trust Certificates, Due 1944-58	
• 279,000	SCRANTON SCHL. DIST., PENN. 1 1/4 % Bonds, Due 1944-63	† 20,500,000	PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE First Mortgage Bonds, Series A, 3 1/4 %, Due 1973	2,125,000
• 200,000	SIoux CITY, IOWA, CITY OF 1 1/4 % Bonds, Due 1948-62	† 52,000,000	PUGET SOUND POWER & LIGHT COMPANY . .	1,400,000
• 100,000	TENNESSEE, STATE OF 1 1/4 % Bonds, Due 1951		First Mortgage Bonds, 4 1/4 % Series, Due 1972	
† 686,614	TOLEDO, OHIO, CITY OF 1 1/2 % Bonds, Due 1945-54			
† 400,000	TROY, N. Y., CITY OF 1.70 % Bonds, Due 1947-53			
• 160,000	WAPELLO COUNTY, IOWA 3/4 % Bonds, Due 1944-52			
† 450,000	WATERLOO, IOWA, CITY OF 1 % Bonds, Due 1944-62			
† 228,000	WINSTON-SALEM, N. C., CITY OF 2 % Bonds, Due 1966-67			

* Purchased by Halsey, Stuart & Co. Inc. alone. † Account headed by Halsey, Stuart & Co. Inc.
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Descriptive circulars and current quotations will be supplied for any of the above securities upon request.

**Year-End
Bond Review**

December, 1943

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BOND REVIEW

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AND OTHER PRINCIPAL CITIES

Savings Bank Investment Practice

(CONTINUED FROM PAGE 25)

\$1,610,600,000; and Connecticut, \$1,121,350,000.

Next a test was made to determine those bonds declared legal whose rating was less than Baa and whose yield was above 5 per cent to maturity, Baa being the requirement for Federal Reserve member banks, and certainly 5 per cent is generous in this market. New York legals went all the way down to a B rating with a top yield of 12.30 per cent. There were in the New York group \$1,657,000,000 bonds, or about 40 per

cent of the total, with a yield above 5 per cent or a rating below Baa.

For Massachusetts all legal bonds had a rating of Baa or better and the top yield was 4.76 per cent.

For Connecticut \$88,000,000, or about 8 per cent of the total, were poorer than the above standard, the high yield being 7.6 per cent and low single B.

There can be no question but that the legal list requirements of all three states were carefully worked out by responsible committees, all of whom were dis-

satisfied to accept market or rating bureau appraisals.

Instead, their own yardsticks of quality and protection were devised and compiled with the above result, leaving a clear doubt as to whether the more obvious standards were really improved.

On the other hand, if existing legal lists were swept away and a maximum yield of 5 per cent in the present market were adopted instead, plus a Baa rating, just about four billion of rail and terminal bonds would promptly become legal.

It would not be wise to draw too many conclusions from the above study. We would not favor sweeping away all legal lists and substituting a yield and rating standard solely. There is here, however, a clear conclusion that if legal lists are to be compiled and used as even an approximate guide, the work should be done with a clear perspective of the total potential field and revisions should be made regularly and at short intervals to keep pace with changing conditions. Otherwise, it appears that the most likely alternative would be that legal lists would fall into disrepute. Their existence would serve only to becloud investment thinking and slowly the savings banks would be regimented into a pattern of thinking popular at the moment in the minds of some controlling group or commission whose dictates probably would cover both purchases and sales. Whether or not the market could absorb such regimented bids or offerings, in any event the effect would be the substitution of men for laws in a field where error is inevitable.

While it is not suggested that a simple formula has by any means solved the investment problem the idea deserves more careful consideration of investment men.

Neapolitans turn in an issue of Italian Treasury bonds, redeemed by the Bank of Italy. The operation was approved and supervised by Allied Military Government finance officers



PRESS ASSOCIATION
BANKING

THE NATIONAL CITY BANK OF CLEVELAND

Statement of Condition

DECEMBER 31, 1943

ASSETS

Cash and Due from Banks	\$108,352,949.59
United States Government Obligations	222,621,641.97
Other Securities	9,237,464.39
Loans and Discounts	70,360,900.25
Banking Premises Owned	1,350,000.00
Customers' Liability on Acceptances and Letters of Credit	780,592.40
Customers' Liability on Loan Commitments	18,751,542.16
Accrued Interest	898,905.65
Other Assets	150,188.97
	<u>\$432,504,185.38</u>

LIABILITIES

Capital Stock	\$ 9,000,000.00	
Surplus	5,300,000.00	
Undivided Profits	1,961,905.91	\$ 16,261,905.91
Reserves		2,660,205.88
Acceptances and Letters of Credit		780,592.40
Loan Commitments Outstanding		18,751,542.16
Accrued Interest and Expenses		397,014.44
Deferred Credits and Other Liabilities		563,972.23
Corporation, Individual and Bank Deposits	\$294,444,459.25	
Savings Deposits	36,257,385.87	
Trust and Public Deposits	15,248,063.36	
U. S. Government War Loan Account	47,139,043.88	393,088,952.36
		<u>\$432,504,185.38</u>

NOTE: United States Government obligations carried at \$63,335,398.32 are pledged to secure trust and public deposits, U. S. Government War Loan account, and for other purposes as required or permitted by law.

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OF INDIANAPOLIS

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STATEMENT OF CONDITION DECEMBER 31, 1943

RESOURCES

Cash on hand and on Deposit with Federal Reserve and other Banks	\$ 80,148,122.21	} \$198,531,792.85
U. S. Government Securities	118,383,670.64	
Other Bonds and Securities		26,262,656.40
Stock in The Federal Reserve Bank		300,000.00
Loans and Discounts		27,827,759.77
Banking House		500,000.00
Other Real Estate Owned		5.00
Accrued Interest Receivable		621,611.35
Other Resources		124,283.90

LIABILITIES

Capital	\$4,000,000.00	} \$ 14,419,838.21
Surplus	6,000,000.00	
Undivided Profits	4,419,838.21	
Interest, Taxes and Other Expenses Accrued and Unpaid		547,841.70
Dividend Payable January 3, 1944		110,000.00
Deposits		239,043,318.12
Unearned Discount		27,385.78
Other Liabilities		19,725.46
		\$254,168,109.27



Hints on Personnel Relations

GEORGE T. NEWELL, *vice-president, Manufacturers Trust Company and former president, American Institute of Banking*, in discussing the personnel training problem confronting banks at the convention of the Maine Bankers Association said, in part:

"You and I know that specialized training is essential in banking and since banking is vital to America's economy, it must continue to serve efficiently. . . .

"I happen to be one of those who believes there is no finer place to work than in a bank, and while the opportunities for recognition may not be as great in the smaller communities, most young people who start their business careers in banks do so because they believe in the stability of our institutions and that the associations will be pleasant as well as profitable. Trying to satisfy them with a \$10 raise, or in many instances, some kind of title instead of a raise, does not make for a satisfied

clerk, nor are we doing a good public relations job. The result is that we lose too many people with energy, brains and initiative to other industries.

"Through you officers, these men and women can be made to feel they are part of a group, no matter how large or small, in which they can take pride. Through the available educational processes they can become more intelligent in their work, which, of necessity, has to be exacting. With this program you will not only improve their morale but will raise the quality of your personnel, reduce your costs and at the same time eliminate much of your labor turnover. It may cost your bank a little money and take your time individually, but it will certainly pay good dividends.

"With a large number of new people coming into banks, who are predominantly women, you may say these suggestions do not apply. I will agree it may be necessary to make some changes in your approach to them, for in a world where things are happening so fast and changes occurring so rapidly, even a lazy mind automatically assumes a flexibility which does not exist under normal conditions. . . . It was a bright remark, made by a girl in one of the Boston banks, that led to a change of the title of one of the Institute's books, which has just been completely revised. . . .

"It is these new people who would really like to know more about the business they have entered than simply the job they are doing in a routine sort of way. It is true many of these girls believe their work is of a temporary nature. When this war is over many will return to their former occupations at home, while others will marry and give up their positions. Still others, perhaps some thousands of them, will remain in banking. And this reminds me that the head of a bank told me last year that they were just pensioning a number of girls who came to them during the last war to take up these so-called temporary positions. This, he remarked, was evidence of what happened to those who become interested in their work. . . .

"In discussing this matter of personnel with banks across the country, some bank officers felt that most programs of education took too long a time to meet the problems which were immediately pressing. They said what is needed is streamlined assistance. For a worthwhile answer, I have to turn to the A.I.B. They have established two



MICHIGAN NATIONAL BANK

BATTLE CREEK FLINT GRAND RAPIDS LANSING
MARSHALL PORT HURON SAGINAW

STATEMENT OF CONDITION

DECEMBER 31, 1943

RESOURCES

Cash and Due from Banks	\$26,015,814.19	
U. S. Government Securities	78,251,370.21	\$104,267,184.40
Loans and Discounts		33,426,380.03
Bank and Office Buildings		1,699,224.73
Federal Reserve Bank Stock		150,000.00
Other Securities		101,679.82
Accrued Income		225,330.53
Other Assets		312,191.48
Total Resources		<u>\$140,181,990.99</u>

LIABILITIES

Commercial Deposits	\$99,375,398.96	
Savings Deposits	34,137,395.41	\$133,512,794.37
Accruals and Reserves		628,087.20
Preferred Stock	\$1,500,000.00	
Common Stock	1,500,000.00	
Surplus	2,000,000.00	
Undivided Profits	1,041,109.42	6,041,109.42
Total Liabilities		<u>\$140,181,990.99</u>

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procedures which should be of great aid to us all. One is the three newly developed short courses, which are very often called 'quickies.' The other is known as the JIT, or Job Instructor Training program.

"... you all probably know that a study group can be formed with two or more persons. Last year a text was offered entitled 'An Introduction to the Study of Banking.' This book is just what the title implies. ... It was enthusiastically received and a great many chapter and study group units used it to real advantage. ...

"We cannot all shoulder a gun, build a ship, construct a tank or pilot a bomber, but we can stick to our own battle stations. And unwavering fidelity to what may seem to be unheroic duties, may well be the measure of our devotion to our country and countrymen in their time of greatest need."

OPA Enlists Aid of Banks

THE aid of banks is being enlisted by the Office of Price Administration in its drive to smash the black market in gasoline.

OPA has called on the banks to observe strictly four simple rules to strengthen gasoline ration enforcement at this important level. These rules are:

"(1) Report any suspicious coupons to the district office. (Many counterfeits are crude and easily recognizable.)

"(2) Refuse to accept for deposit any gummed sheet which is not completely filled out on the face. In tracing the coupons, the firm name and address of the dealer collecting the coupons are essential, as well as the depositor's endorsement.

"(3) Exercise extreme care in safeguarding coupons between acceptance for deposit and cremation. Except where they are canceled, they should be kept under lock and key, preferably under dual control. A few instances have come to OPA's attention where a building custodian has picked up coupons in a bank basement and sold them back into circulation.

"(4) Exercise extreme care at the time of cremation. At least two persons should witness the destruction; where destruction takes place off the bank premises, this is particularly important. The chairman or a member of your local rationing board will ordinarily be glad to act as witness if your own personnel is limited."

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Passage to China

These notes on the difficulties of banking in present-day China are by Randall Gould, editor of the American edition of The Shanghai Evening Post & Mercury, published in New York. MR. GOULD recently returned after more than two months in China.

Dear BANKING:

BANKING in China may be conservatively described as a headache. I think anyone who has his fingers in that particular mess will agree wholeheartedly. As I have just returned from some-

thing over two months in Free China I have the subject close in my mind and heart, although it is too big to cover in an ordinary letter. I might tell you a little about my own personal experience, with a slight embroidery of general background.

For any kind of travel today I recommend the use of travelers' checks while one is in transit. They can be disposed of readily and in small denominations at any time anywhere. Of course, where single large sums are in question, it is better to use a letter of credit.

So far as China is concerned, an initial complication arises because the best exchange rate in China can be had by use of U.S. bank notes; but the U.S. Government virtually prohibits one from taking these notes out of the country.

THE big trouble about any dealings in China chiefly centers around the fact that an official exchange rate of 20 Chinese dollars to one U.S. dollar is being maintained by the Chinese Government, with assistance of the American and other governments. The full machinery of how this is done is too complicated to go into here. It is pretty effective, however, and my observation was that the black market is now largely restricted to the thriving commercial city of Kunming—former head of the Burma Road and now head of the "Aerial Burma Road." Even in Chungking, where the controls are particularly strong because it is the capital, anyone with bank notes can get a better rate of exchange, although it is usually necessary to ship the notes to Kunming before they get into actual hands of



The banking district of Chungking—Chung Chen Road looking east across Sing Kai Square

CNS—GUILLOTTE PHOTOS

HARRIS TRUST AND SAVINGS BANK

Organized as N. W. Harris & Co. 1882—Incorporated 1907 . . . HARRIS TRUST BUILDING, CHICAGO

STATEMENT of CONDITION

December 31, 1943

Resources

Cash on Hand and Due from Banks	\$109,117,270.00
U. S. Treasury Bills and Certificates	93,229,220.91
U. S. Government Bonds and Notes	100,271,407.73
State and Municipal Securities	28,905,765.01
Other Bonds and Securities	36,786,897.06
Loans and Discounts	105,572,143.76
Federal Reserve Bank Stock	540,000.00
Customers' Liability on Acceptances and Letters of Credit	148,300.60
Accrued Interest and Other Resources	1,540,478.51
Total	\$476,111,483.58

Liabilities

Capital	\$ 6,000,000.00
Surplus	12,000,000.00
Undivided Profits	2,277,408.36
Total	\$ 20,277,408.36
Reserves for Contingencies, Taxes, Interest, Etc.	8,399,545.35
Acceptances and Letters of Credit	148,300.60
Demand Deposits	\$421,248,687.90
Time Deposits	26,037,541.37
Total	\$476,111,483.58

\$68,049,800 of U. S. Government obligations and \$301,000 of State and Municipal Securities are pledged to secure \$43,515,164.59 of United States Government Deposits and \$22,170,221.44 of Trust Deposits, and to qualify for fiduciary powers.

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Buy War Bonds

buyers, who are mostly smugglers.

The black market rate averages around 100-1 for bank notes, although it recently dropped to around 85. This sounds like quite a deviation from the official rate, but if free exchange were permitted, the rate might settle at a much higher level. Estimates I have heard range between 270-1 and 500-1, with 400-1 being a pretty fair guess, taking account of inflation here as well as in China, and basing upon wholesale prices in both countries.

THERE is a terrific inflation and the cost of everything is sky-high. We paid the equivalent of U.S. \$1,200 (on the official rate) for a typewriter, for example—\$24,000 Chinese national currency, the medium used throughout Free China.

This whole situation naturally has an effect upon banks and bankers. There is only one foreign bank in Free China today and that is British—the Hongkong & Shanghai Banking Corporation.

This bank and also the Chartered Bank of India and Australia managed to get permission to open branches after about a year of work ending last spring. American banks haven't felt it was worth while to open in Free China as yet.

My talks with the Hongkong Bank people indicate that they are finding things very thin after all the trouble they had to go through, this red tape being due to the Chinese Government's attitude that an entirely new process of authorization was necessary to open even branches of banks formerly in territory now under the Japanese.

RANDALL GOULD

One of the tallest buildings in Kunming is the Kunming Bank Building. Standing on a busy corner, the structure is complete except for the elevator which will be installed after the war. Kunming is at the head of the "Aerial Burma Road"



Another modern structure in Kunming also houses a banking institution—the Hsin Wen Bank



CITIZENS NATIONAL TRUST & SAVINGS BANK OF LOS ANGELES

Established 1890

Condensed Statement of Condition at Close of Business
December 31, 1943

RESOURCES

Cash and Due from Banks.....	\$ 61,250,459.03
United States Obligations, Direct or Fully Guaranteed	146,287,313.47
State, County, and Municipal Bonds.....	662,578.11
Other Bonds	126,841.49
Loans and Discounts.....	41,856,224.22
Federal Reserve Bank Stock.....	252,000.00
Stock in Commercial Fireproof Building Co. — Head Office Building.....	348,500.00
Bank Premises, Furniture and Fixtures, and Safe Deposit Vaults (Including Branches).....	732,248.91
Other Real Estate Owned.....	575,168.14
Customers' Liability under Letters of Credit and Acceptances	311,627.42
Earned Interest Receivable.....	552,764.32
Other Resources	101,706.47
TOTAL.....	\$253,057,431.58

LIABILITIES

Capital Stock	\$5,000,000.00
Surplus	3,400,000.00
Undivided Profits.....	1,600,000.00
Reserves for Interest, Taxes, Dividends, Contingencies, Etc.	\$ 10,000,000.00
Discount Collected—Unearned	23,756.28
Letters of Credit and Liability as Acceptor or Endorser on Acceptances and Foreign Bills.....	311,627.42
Other Liabilities	38,349.79
Deposits	241,419,533.61
TOTAL.....	\$253,057,431.58

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The Elements of Banking

III. RECEIVING OPERATIONS

Another lesson for BANKING's student readers, taken from the American Institute of Banking's textbook, "Fundamentals of Banking."

THE extreme care which banks must exercise in the selection of customers cannot be overemphasized,

for banks must depend upon the honesty and integrity of customers to a great degree. . . .

A proper relationship between the amount a customer keeps on deposit and the activity of his account must be insisted upon. Below a certain balance the cost of activity in the

account may exceed the income to be derived from the employment of the funds in earning assets. Therefore, some banks establish a minimum average balance which must be carried and specify the number of transactions a month that will be permitted on the basis of that balance. Balances that fall below the minimum and activity beyond the prescribed limit are subject to service charges at established rates. Other banks do not require minimum balances but place all accounts on an analysis basis.

The Opening of Deposit Accounts

New accounts are opened by officers or by other experienced members of the bank's staff. . . .

The steps taken in opening of an account usually are somewhat as follows:

(1) The necessary information concerning the prospective customer is obtained and later verified. . . .

(2) The bank's requirements, service charges, and other details are explained.

(3) The proper authority for the account is obtained by means of a signature card or other authority form.

(4) If the account is accepted, a passbook is issued and a receipt for the initial deposit is entered in the passbook.

(5) The customer is supplied with blank checks. If he desires to have his name printed on them, a charge is generally made for the cost of the printing. . . .

The Deposit Slip

A DEPOSIT slip (or deposit ticket) is a memorandum of the cash and other funds presented for deposit; it also serves as a record that the deposit has been received. . . .

After the deposit slip has been used by the receiving teller and by the proof, analysis, and bookkeeping departments for their work, it is filed. . . .

The Passbook

THE receipt which a bank gives a customer for a deposit may be in the form of (1) an entry in a passbook, (2) a duplicate deposit slip, or (3) an advice of credit memorandum. . . .

In commercial banking today the passbook is simply a receipt book . . .



CONDENSED STATEMENT OF CONDITION, DECEMBER 31, 1943

ASSETS	
Cash on Hand and in Banks	\$159,166,250.76
United States Government Obligations	481,504,409.02
Stock in Federal Reserve Bank	988,500.00
State, Municipal and Other Securities	14,652,401.31
Loans and Discounts	174,427,234.54
Banking Premises	4,912,767.80
Other Real Estate	1,188,204.38
Other Resources	2,208,155.50
Customers' Liability on Acceptances	116,027.72
Total	\$839,163,951.03
LIABILITIES	
Capital Stock	\$13,800,000.00
Surplus and Undivided Profits	10,154,436.70
Reserve for Contingencies	2,172,504.88
Capital Notes	11,000,000.00
Retirement Fund for Capital Notes	1,500,000.00
DEPOSITS	
Demand	\$413,716,202.22
U. S. War Loan Deposits	91,394,150.51
Time	269,267,845.20
Estates Trust Department	15,661,180.40
Corporate Trust Department	2,737,406.78
Total	792,776,785.11
Accrued Taxes, Interest, etc.	3,206,763.41
Other Liabilities	4,437,433.21
Acceptances Executed for Customers	116,027.72
Total	\$839,163,951.03

Contingent Liability on Loan Commitments—\$22,882,140.16

United States Government Obligations carried at \$137,442,276.70 are pledged to secure public funds and trust deposits and for other purposes as required or permitted by law.

We welcome in 1944 individuals and corporations seeking new or additional banking services.

50 YEARS OF BANKING USEFULNESS

46 Convenient Offices

Out-of-town:

Bedford • Lorain • Painesville • Willoughby

Member: Federal Deposit Insurance Corporation

Federal Reserve System

Duplicate Deposit Slip And Advice of Credit Memorandum

If the depositor does not have his passbook with him when making a deposit, he fills out two deposit slips, one to be used by the bank in the regular way and the duplicate to serve merely as his receipt. . . .

The customer's name and address, the date of the deposit, and the amount are entered on the (credit) memorandum, which is then initialed or signed by the person receiving the deposit. . . . A carbon copy of the memorandum is retained by the bank.

Cash and Collection Items

If all items deposited in a bank were taken for collection and if customers were not given credit for them until the bank had received the funds, the handling of checks would be complicated and expensive, and bank operations, especially volume operations, would be much impeded. Some of the negotiable instruments handled by a bank for its customers are payable on demand; others are payable at a future date. Some can be presented for payment immediately, while others require varying periods of time for collection. Some items are subject to simple and uniform collection rules or instructions; others call for individual instructions. . . .

. . . banks classify items in two groups, cash items and collection items. . . .

Cash items are those which a bank will accept for *immediate credit*; that is, they will increase the customer's balance immediately.

Collection items are those which will increase the customer's balance only when they have been presented and paid and *the funds have actually been received by the bank*. . . .

Duties of the Receiving Teller

THE operations of receiving a deposit are six in number:

- (1) To verify the amount of the cash
- (2) To see that all currency and coin are genuine
- (3) To see that all items submitted for deposit are cash items
- (4) To see that all items are properly endorsed
- (5) To verify the total of the deposit
- (6) To issue a receipt for the deposit.

These six duties are performed for every deposit, whether large or small and whether received at the teller's window, by mail, by special messenger, or in any other way. . . .

Distribution of Items and Cash

IN the deposit the receiving teller finds cash, checks on his own bank, checks on other local banks, checks on out-of-town banks, and miscellaneous items, such as coupons. When he has finished his operations in connection with the deposits, all checks and miscellaneous items are routed to various departments for subsequent disposal. Checks on the teller's own bank go to the bookkeeping department; checks on other local clearing banks, to the clearinghouse department; checks on out-of-town banks, to the transit

department; miscellaneous to other . . .

It is a characteristic of the receiving teller function that the work is on a daily basis; that is, the cycle is complete each business day. . . .

Receiving tellers are often assigned other duties. . . . One duty is the calculation of the amount of a customer's balance that is in the process of collection. This amount, called *float*, is noted on the deposit slip by the teller.

Another duty is the deduction of *exchange charges* (fees charged for collecting items) in banks where such charges are made. . . .

THE FIFTH THIRD UNION TRUST CO.

CINCINNATI, OHIO

STATEMENT AS OF DECEMBER 31, 1943

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

MEMBER FEDERAL RESERVE SYSTEM

★

RESOURCES

Cash and Due from Banks . . .	\$66,387,749.63	
United States Bonds		
(Direct and Guaranteed) . . .	92,511,774.62	\$158,899,524.25
Other Bonds and Securities		12,649,598.44
* Loans and Discounts		48,836,161.65
Federal Reserve Stock		300,000.00
Banking Premises Occupied		4,775,000.00
Customers' Liability Under Acceptances		19,813.75
Other Resources		642,418.53
Total		\$226,122,516.62

LIABILITIES

Capital Stock	\$ 5,000,000.00
Surplus	5,000,000.00
Undivided Profits	1,400,009.39
Reserve for Dividends Payable	50,000.00
Reserve for Interest, Taxes, Etc.	557,857.57
Liability Under Acceptances	19,813.75
Deposits:	
Commercial, Bank and Savings	194,706,890.40
U. S. Government	19,266,869.26
Other Liabilities	121,076.25
Total	\$226,122,516.62

* In addition to this item as shown, we have unused loan commitments outstanding in the amount of \$14,822,347.67 for war production and other purposes, if required

How Georgia Banks Help Farmers

(CONTINUED FROM PAGE 47)

of records. That stimulus is afforded through annual income tax returns. Lower exemptions and higher incomes brought thousands of farmers within income tax brackets for the tax year 1942.

As the filing date approached last March, many of my customers came to me for figures on last year's income, or for aid in making the return. This

forcefully impressed upon me the need for complete farm records, and my bank has encouraged record keeping. In fact, for a long number of years we have presented our farmer customers on the first of each year with a farmers' day-book calendar, in the hope of encouraging record keeping. The average farmer has very little accurate knowledge of the profits on one crop or the losses on another.



Your Atlanta Correspondent

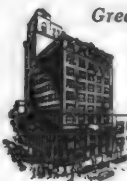
...in the Post-War South

FULTON NATIONAL BANK

Atlanta, Georgia

MEMBERS: FEDERAL RESERVE SYSTEM - FEDERAL DEPOSIT INSURANCE CORP.

Greater Miami's Oldest—South Florida's Largest—Financial Institution



The First National Bank of Miami

EDWARD C. ROMFH, President

Statement of Condition, Comptroller's Call, December 31, 1943

ASSETS			
Loans to Individuals, Firms & Corporations.....	\$ 3,922,715.46	Industrial Bonds.....	107,582.47
First Mortgage Loans on Improved Real Estate.....	370,416.55	Railroad Bonds.....	74,450.20
Overdrafts.....	32.66	U. S. Government Obligations.....	\$49,388,208.63
Banking House.....	700,000.00	Cash Reserve and Due From Banks.....	21,701,033.23
Furniture and Fixtures.....	145,853.32		71,089,241.86
Other Real Estate.....	40,542.30	TOTAL ASSETS.....	\$77,269,653.30
Other Assets (Includes Accrued Interest and Prepaid Expense).....	187,027.52	LIABILITIES	
Stock — Federal Reserve Bank (1440 Shares)...	72,000.00	Capital.....	\$ 1,200,000.00
Stock — First National Holding Corporation..	100,000.00	Surplus and Undivided Profits.....	1,794,898.11
* Bonds Owned: State & Municipal Obligations.....	459,790.96	Reserve for Dividend.....	48,000.00
		Deposits (Net).....	74,226,755.19
		TOTAL LIABILITIES.....	\$77,269,653.30
		DEPOSITS	
		December 31, 1942.....	\$59,081,978.02
		December 31, 1943.....	74,226,755.19

* List Furnished Upon Request

Under Same Management Since Organization in 1903

MEMBER FEDERAL RESERVE SYSTEM AND FEDERAL DEPOSIT INSURANCE CORPORATION

More and Better Livestock Production: Within the past 10 years we have seen marked improvement both in quality and quantity production. Livestock production has risen from side-line proportions to a major income crop. Weekly auction sales are held in many of our counties. Improved farm land and increased income has been the lot of the farmer who has given diligent attention to livestock production.

The county agent should be enlisted as an active supporter of any program adopted; if possible, it should be made the county program, and the banker and county agent would do well to cooperate in its prosecution. An active county agent will uncover many worthwhile loan prospects; and conversely, through his intimate knowledge of farmers and farm conditions in his county, he can help the banker avoid alliances that may later prove unpleasant or unprofitable.

(5) Agricultural Committee Activities:

In many instances the agricultural committee of the state association is not sufficiently active to accomplish worthwhile results. We cannot very well combine reports on last year with plans for the year ahead; thus we see the necessity of a wide-awake committee that should meet at least semi-annually, or as often as matters of importance demand. At the beginning of 1942, we increased our Georgia committee from the usual five to 17, exclusive of ex officio members. We endeavored to appoint only men who are agriculture-minded and who recognize agriculture's importance to our state. Acceptance of appointment on such a committee implies willingness to faithfully perform the duties involved. The appointment should be declined if careful attention cannot be given; but, since all men are not so conscientious in such matters, committee members should be appointed with utmost care.

(6) County Key Banker's Part in Making the Program Work:

The purpose of the key banker appointment is to enlist at least one banker in each county in agricultural development. He should be keenly interested in the state's program, and should strive to enlist the active support of other bankers of his county in the program. It is largely through the activities of the county key banker that the program is translated from thought to action; from the thinking of the state officers to actual practice by the farmers of the state. His cooperation is highly important.



A President is Born

HE is so small and helpless. So dependent on you for his life and well-being. And yet you look at him and say — "Someday he may be President."

Put it down as foolish sentiment. Put it down as parental pride. But where else in the world could you envision for your child the possibility of his attaining, one day, the highest office in the land?

Maybe your child won't make it. But one child, very much like him, will. One child out of the three million babies born this year—or the next—or the year after.

Whether or not he attains this high position is not so important. What matters is that here, in America, he is born

with that opportunity. He is born in the stubborn tradition of free men — men who felt that in government, the wisdom of the many is preferable to the ambition of the few. He is born in a tradition of self-reliance—where he may succeed or fail according to his own efforts.

Because of that, you will train him to think for himself, to fight his own battles, to make his own way.

You will teach him that responsibility is inseparable from freedom. And that if he joins with other men in an enterprise he should demand the same responsibility and freedom for his business that marks his birthright as an individual.

Someday he may hear, as you have heard, voices that say, "Surrender your opportunity for the certainty that you shall always have bread"—as if man lived by bread alone. As if the country were better served by limiting all to mediocrity, instead of assuring to all, under law, an equal chance to rise by their own efforts, conscious of their obligations to others.

What that son of yours learns at your knee will decide whether or not he will ever have to bend his knee before dictation and tyranny. And because of what you teach him, he too may one day look with that same foolish pride on his own son to say, "Someday he may be President—"

THE CHESAPEAKE AND OHIO LINES

Cleveland, Ohio

CHESAPEAKE AND OHIO RAILWAY • NICKEL PLATE ROAD • PERE MARQUETTE RAILWAY

Support the American Red Cross Drive for Blood Donations

Handling Government Checks

A BANK which has been furnishing payrolls to Army and Navy paymasters stationed at local military and naval posts, asks the American Bankers

Association Bank Management Commission if it is necessary to "require from the Treasury Department a confirmation of the balance to the credit

of the Disbursing Officer in question before cashing his check for payroll and that each new finance officer must have his signature verified to them by the Treasury Department."

Such procedure, if followed, says the Commission, might delay considerably the handling of payrolls, yet the Treasury Department in its regulations governing deposit of public moneys and payment of government checks and warrants (Department Circular No. 176, amended and supplemented) states:

Each member bank depositary with a fixed balance to the credit of the Treasurer of the United States will cash government checks and warrants drawn on the Treasurer of the United States when they are presented and properly endorsed by responsible holders who guarantee all prior endorsements thereon, including the endorsement of the drawer when the check is drawn in his favor. Checks and warrants so cashed may be charged to the account of the Treasurer of the United States, subject to examination and payment by the Treasurer . . .

The regulation further provides:

When government disbursing officers present official checks to member bank depositaries to be cashed, the Treasurer of the United States upon special request will advise such depositaries as to whether the balances to the credit of the disbursing officers are sufficient for the payment of the checks presented.

SUCH a regulation assumes added importance when it is realized that the Treasurer of the United States is not bound by any statute of limitations prescribing a specified period in which a check or warrant must be returned to recover thereon. If payment on a check or warrant has been made by the Treasurer and it is later (*regardless of how much later*) discovered the item has a forged signature, forged endorsement, or other material alteration or defect, it may be returned to the bank and the bank must make good on it. The regulation states:

The Treasurer of the United States reserves the usual right of the drawee to examine, when received, all government checks and warrants cashed by Federal reserve banks and branches and member bank depositaries, and to refuse payment thereon. . . . In the case of checks paid more than a year before reclamation is requested of the presenting bank, the Treasurer may, in his discretion, treat the item as a collection instead of charging the presenting bank's account, with the understanding that *no rights of the Government as to ultimate recovery are waived thereby. (Italics ours).*

CONDENSED STATEMENT FIRST NATIONAL BANK IN ST. LOUIS

At the Close of Business, December 31, 1943

RESOURCES		
Loans and Discounts		\$ 90,965,398.24
U. S. Government Securities		185,813,445.60
Other Securities Guaranteed by U. S. Government		3,943,540.70
Other Bonds and Stocks		5,437,522.60
Stock in Federal Reserve Bank		462,000.00
Banking House, Improvements, Furniture and Fixtures		448,335.15
Other Real Estate Owned		1,238,567.16
Customers' Liability a/c Letters of Credit, Acceptances, etc.		1,010,972.64
Accrued Interest Receivable		878,130.56
Overdrafts		1,581.19
Other Resources		4,463.59
Cash and Due from Banks		97,496,566.05
		<u>\$387,700,523.48</u>
LIABILITIES		
Capital—Common		\$ 10,200,000.00
Surplus and Profits		11,027,384.28
Reserve for Contingencies		500,000.00
Dividend Declared Payable February 29, 1944		240,000.00
Reserve for Taxes, Interest, etc.		769,614.98
Unearned Discount		112,088.21
Liability a/c Letters of Credit, Acceptances, etc.		955,615.00
Other Liabilities		800.00
Individual Deposits		\$189,869,507.36
Savings Deposits		35,032,417.23
Bank Deposits		103,198,521.95
Government Deposits		31,897,766.48
City of St. Louis and Other Public Funds		3,896,807.99
		<u>\$387,700,523.48</u>
	Total Deposits	363,895,021.01

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

IN DAILY USAGE
throughout
THE FINANCIAL WORLD



50th YEAR OF
BANK DIRECTORY SERVICE

PRODUCING BUSINESS
for its
ADVERTISERS

★
Issued in MARCH and SEPTEMBER

★
R. L. POLK & CO.

PUBLISHERS
ESTABLISHED 1870

431 Howard St., Detroit 31, Mich.

"Now, if we
were only
staying
at
THE ROOSEVELT"



When you stop at The Roosevelt you don't risk getting marooned like this. For you'll be within walking range of Manhattan's Midtown activities. Direct passageway from Grand Central Terminal to hotel lobby. A reservation at The Roosevelt liquidates a lot of bother. Rooms with bath from \$4.50.

THE ROOSEVELT

Robert P. Williford, General Manager

MADISON AVE. AT 45th ST., NEW YORK

—A Hilton Hotel—

OTHER HILTON HOTELS FROM COAST TO COAST:

TEXAS, Abilene, El Paso, Longview, Lubbock, Plainview,
NEW MEXICO, Albuquerque; CALIFORNIA, Long Beach,
Los Angeles, The Town House; MEXICO, Chihuahua,
The Palacio Hilton. Hilton Hotels. C. N. Hilton, President.

DID *that* GOVERNORS' CONFERENCE OF MAY, 1942, FAIL?

Here Is An Accounting 21 Months Later!

OUR WAR EFFORT is being slowed down—the cost of living and of doing business raised—food and other products delayed, often spoiled—because the request made at the Governors' Conference of May, 1942, to permit the free flow of motor transport across State borders, was not fulfilled by all States.

The commonsense program which the Governors were asked to adopt would have eliminated the "Balkanizing" of our States. Fees amounting to imposts would have been abolished. Uniform laws would have permitted vehicles of reasonable capacity and length to freely cross State borders. Some cooperated, of course, but not all.

NON-CONFORMERS PENALIZE OTHERS

The States that have not seen fit to fulfill the request made by the Federal Government largely nullify the patriotic cooperation of the other States! Many of the non-

conforming States are on through trans-continental routes—consequently, the effect of their non-cooperation is devastating to interstate highway transportation.

REASONABLE STANDARDS

How reasonable the proposed standards were is shown by the fact that at least fourteen States voluntarily permit *more* than the 45 ft. length allowance requested of the Governors. Some thirteen States allow *more* than the 18,000 lbs. Conference axle weight. And at least twenty-five States permit more than the proposed 40,000 lbs. gross weight of vehicle and load.

Non-cooperative, bottleneck States are penalizing not only their own citizens but all others, since transportation plays such a large part in our modern home and business life. And, in many cases, the delays and inconvenience they cause actually sabotage our war effort.

WHAT WAS REQUESTED

In May, 1942, the Governors of our 48 States, called together by the President, were asked, in the interest of the war effort, to expedite interstate truck transportation by cooperating on a program to:

- (1) Honor the license plates of all other States.
- (2) Permit a length of *at least* 45 feet for a tractor-trailer unit.
- (3) Permit *at least* 18,000 lbs. weight per axle.
- (4) Permit *at least* 40,000 lbs. gross weight on 3-axle units.

WHAT WAS DONE

Now—21 months later—so many States are not honoring the license plates of other States that the situation constitutes a serious bottleneck and tax on essential transportation.

There are twelve States in which the 45 ft. length is illegal.

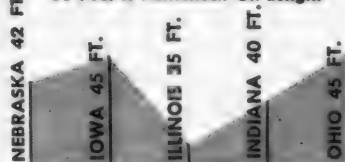
Three States do not permit the allowance of 18,000 lbs. per axle.

Four States allow less than the 40,000 lbs. gross weight minimum.

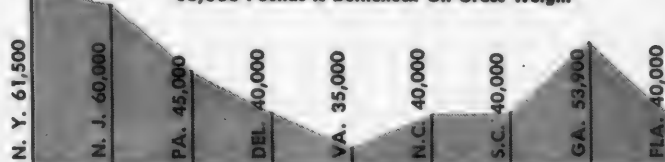
SOME TYPICAL *Bottlenecks* TAKEN AT RANDOM FROM ACTUAL HAULS!

(Sizes and weights used here are correct according to latest information at hand as this is written.)

HAUL: OMAHA TO CLEVELAND 35 Feet Is Bottleneck On Length



HAUL: NEW YORK TO JACKSONVILLE 35,000 Pounds Is Bottleneck On Gross Weight



LAW OF MOST RESTRICTIVE STATE CONTROLS ENTIRE HAUL

Do you live in a non-cooperative State? Or, is your State "bottled up" by adjoining States? If you want to find out how you stand, send for our booklet entitled "Are the United States United?" (second edition) or request it through the Fruehauf Trailer Company branch in your city. Read it—then write your Congressmen and State Officials.



World's Largest Builders of Truck-Trailers

Service in Principal Cities

FRUEHAUF TRAILER COMPANY ♦ DETROIT

CO-OPERATION

Your problems relative to Exchange, Shipping and Customs, Credit and Character data on buyers and sellers... can be readily referred to our Managers at central points in the following countries. Collection items and Letter of Credit transactions will be efficiently handled.

CANADA

Branches from Coast to Coast:

NEWFOUNDLAND

Branches at St. John's and twelve other points

WEST INDIES

Branches in Jamaica, Cuba, Puerto Rico and Dominican Republic

Complete list of all branches on request

NEW YORK, 49 Wall Street

LONDON, ENG., 108 Old Broad St., EC2

General Offices

TORONTO, CANADA

Capital and Reserve, \$36,000,000

The BANK of NOVA SCOTIA

ESTABLISHED 1812—OVER A CENTURY OF SERVICE

To the holders of Bonds of the following issues:

D. & R. G. R. R. Co.
1st Consolidated Mortgage
Rio Grande Western Ry. Co.

1st Trust Mortgage
Rio Grande Western Ry. Co.

1st Consolidated Mortgage
D. & R. G. W. R. R. Co.
Ref. and Imp. Mortgage Series B

D. & R. G. W. R. R. Co.
General Mortgage

We have in our hands funds to pay certain interest coupons on the above issues, which were declared payable prior to general default but not presented prior to November 1, 1935. All holders of the above issues should advise us promptly of their holdings, including the numbers of coupons unpaid, that this interest money may be paid to the proper parties.

The DENVER and RIO GRANDE WESTERN RAILROAD CO.

Wilson McCarthy and Henry Swan,
Trustees

1531 Stout Street, Denver 1, Colorado

War Bond News

Personal Solicitation Sells Bonds

PERSONAL solicitation is the most effective method of selling War Bonds, according to a nationwide survey conducted for the Treasury Department.

Through a scientific sampling process, the survey found that during the Third War Loan half of the nation's gainfully employed were reached by personal solicitation. Of these, 59 per cent purchased extra bonds, whereas only 18 per cent of those not personally solicited did so.

The effectiveness of asking people personally to buy War Bonds was proved in all types of markets and among all salary levels of prospects. For example, 55 per cent of the country's farm people were personally solicited, and 56 per cent of those solicited responded with extra purchases. Of those regularly buying bonds through payroll deductions 54 per cent were personally asked to make extra purchases, and 43 per cent of them did so.

In the lowest income group covered by the survey (those earning not over \$35 weekly) 41 out of every hundred solicited bought at least one extra War Bond each, while only 10 per cent of those not solicited bought. In the middle-income group (those earning between \$36 and \$55 weekly) 55 per cent of those personally asked bought extra bonds, as against 24 per cent of those who were not solicited. Among those earning above \$55 a week, 74 per cent bought extra bonds because of personal solicitation, as against 44 per cent who were not personally approached.

Among other facts disclosed by the survey was that people are more easily persuaded to buy War Bonds while at work than at home. Fifty-three per cent of those solicited at their homes bought extra bonds during the Third War Loan, while 68 per cent of those canvassed while at work became extra-bond purchasers.

War Bond Redemptions

REDEMPTIONS of Series E, F and G War Bonds up to December 31, 1943 amounted to only 7 per cent of sales since these issues were first offered to the American public, the Treasury Department announces. Sales, which began May 1, 1941 exceeded \$25,000,000,000, and redemptions, including cost and accrued interest, were \$1,763,000,000.

A slightly higher redemption rate—

9.2 per cent of sales—was reported for the Series E bonds alone. Sales of this "people's bond" between May 1, 1941 and December 31, 1943 were \$17,500,000,000 and redemptions (cost plus accrued interest) totaled \$1,600,000,000.

Sales and redemption figures were reported on a cumulative basis, the Treasury explained, "because bonds turned in for redemption in any one month consist of bonds sold in every one of the previous months since the war securities were first offered."

Redemptions are heavier in the lower denominations of Series E bonds than in the higher denominations.

"This," the Treasury said, "is accounted for by two factors: Persons of limited means who buy bonds generally acquire only the \$25 denomination, and these persons are the ones first hit by emergencies that make it necessary for them to cash the bonds they have acquired; further, many persons who make substantial purchases of E bonds specify delivery in small denominations, so that if a redemption necessity arises, they will not have to cash in a bond for a larger sum than they require."

Post-War Taxes

THE Brookings Institution has published a study of post-war tax policy and business expansion prepared as one phase of the Institution's collaboration with the special Senate Committee on Post-War Economic Policy and Planning, under the chairmanship of Senator Walter F. George. As a first step the study recommends "adoption of a clear-cut, unequivocal policy calling for the repeal of the excess profits tax," although not necessarily as soon as the war ends.

The cornerstone of the post-war Federal tax system should be a single normal tax, collected on all taxable income—individual and corporate. Of necessity, the rate would be substantially higher than the pre-war normal rates on personal income. Considered solely from the standpoint of the basic post-war objective of maximum release of economic power, continuance of the corporate income tax as a separate tax may well be questioned. The study concludes, however, that as a practical matter we shall have to continue to rely on this tax for revenues to some extent. This tax should be imposed as a low- or moderate-rate tax, perhaps in the range of 5 to 10 per cent.

Heard Along "Main Street," London

(CONTINUED FROM PAGE 29)

with its best customers. I have found that in operating an Agent Office you are in much the relationship of a branch bank to a parent office. Army regulations, Finance bulletins and circulars, and War Department bulletins and circulars affect a Finance office in the same way as banking laws affect a bank. The Chief of Finance and the chief Finance officers of the different commands occupy somewhat the same positions as the supervising authorities of the banking system. The finance officer, his assistant and the section heads formulate policies of an office much as the directors of a bank would do. The enlisted men and officers are the customers of any finance office, and the dividends from efficient operation are payable indirectly to the people of the United States.

Farming in England

TECHNICIAN 5TH GRADE JOHN WELDON MILLER, F.D.,
Vice-president, Grand Prairie State Bank, Grand Prairie, Texas

A BANKER accustomed to making loans to our wheat farmers would have some bad moments his first season if he made loans of the same nature to English farmers—not that the Britisher would be a poorer risk, but the grain is handled differently. By July the wheat here would look ripe, and the bad moments would start as the grain remained uncut. Probably a sigh of relief would come with the beginning of the harvest in the latter part of August and the banker would anticipate the threshing of the grain soon, and getting his money, and some sleep.

But the thresher would not appear; instead the bundles of grain would be put in some of the neatest stacks the banker had ever seen, shaped like a one room house with the heads of wheat turned to the middle of the stack. The British farmer would say the grain would be threshed before April.

The banker would surely be attracted by the appearance of thatched roofed houses. The Englishman would tell him the wheat straw would do nicely for thatching a roof. The Britisher would agree that the roof was picturesque, but that it also offered a refuge for rats.

At Home Away from Home

CORPORAL STANLEY G. HEASLIP, F.D.,
Citizens Commercial Trust and Savings Bank, Pasadena

ALTHOUGH in England only a short while, I have seen numerous sites which have stamped their impression in my memory: Westminster Abbey and St. Paul's Cathedral; Thames River, with its annual historic rowing regatta; Big Ben; the small book shop immortalized by Charles Dickens; the cliffs of Dover; and Sonning Village, the garden spot of England.

The people of England are doing their utmost to see that the American soldiers feel at home over here. I have often been invited out to dinner or to have a "spot of tea."

You would never know that the people of this country have been at war over four years, for they are all so cheerful and willing to share their limited supply of belongings with others.

"If England were what England seems,
And not the England of our dreams;
But only putty, glass, and paint
How quick we'd drop her—
But she ain't!"

DOUGLAS FIR PLYWOOD

cuts cost of building
Troop Sleepers



- Douglas Fir Plywood steps in to do another important war job as a smooth, durable, economical ceiling and wall paneling for Uncle Sam's new-type Pullman troop sleeper.

- Designed to carry 30 fighting men in triple-deck berths, these cars were produced at a small fraction of a standard sleeper's cost . . . are the first in U. S. history to be built exclusively for carrying troops.

- Such war-time applications broaden the post-victory uses of versatile Douglas Fir Plywood. In YOUR future planning consider this modern miracle wood's many outstanding advantages. Write for information to Douglas Fir Plywood Association, Tacoma 1, Wash.

TO HELP SPEED
VICTORY
the Douglas Fir
Plywood industry
is devoting its entire
capacity to
war production.
We know this program
has your approval.

- Workmen apply 3/8 inch Douglas Fir Plywood to the interior walls of the new Pullman sleeper.

- A Pullman porter makes up a berth on the sleeper. The new cars were produced at a rate of 12 to 18 a day. Emphasis was on comfort and efficiency.



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PLYWOOD

Real Lumber
MADE LARGER, LIGHTER
SPLIT-PROOF
STRONGER

POUND FOR POUND STRONGER THAN STEEL.

Contract Termination

Washington, D. C.
AT THIS writing there is no Administration plan covering the economic aspects of demobilization. One of the

pressing problems is the policy to be followed in easing the effects of contract termination. A Senate Military Affairs subcommittee composed of Senators

Murray, Truman and Revercomb in December drew up a proposal calling for a Director of Contract Settlement. The proposal outlines in detail policies to be followed with regard to materials on hand and goods in process. Provision is made to maintain the responsibilities of sureties, to protect the rights of assignees, and to handle the problem of informal or defective contracts.

MANDATORY advance payments of at least 75 per cent of the amount certified would be paid to prime contractors within 30 days after application. The Director of Contract Settlement would decide upon the information required in the applications and upon the type of investigation to be made by the contracting agencies before payment. Any overpayments would be subjected to penalty interest rates. Both direct and guaranteed loans would be authorized.

Thus the bill would provide for VT loans a legislative foundation which many persons now consider to be lacking and needed. It would also provide for T loans.

The Smaller War Plants Corporation would be given a specific new power and responsibility, the power to purchase contract-termination claims from small companies. SWPC will continue — under the bill — to have the powers to make or guarantee contract-termination or reconversion loans; purchase, sell, or lease facilities and materials; and provide advice and general assistance to small businessmen on their contract-termination problems.

New Minimum Hourly Pay Rate

(CONTINUED FROM PAGE 35)

Another point of real significance in current changes of Wage-Hour administration is Mr. Walling's statement of November 19, 1943 concerning the status of porters, janitors, elevator operators and other building maintenance workers. In that statement the Administrator said that in view of recent decisions of the courts in employee suits brought by maintenance employees in office and bank buildings, there would be no further enforcement of the wage and hour provisions by his Division in regard to such employees.

Banks wishing further details on this statement and on the 40-cent rate action are asked to address their inquiries to the American Bankers Association.

Prompt and Reliable

INFORMATION ABOUT CANADA

Through our 516 Branches in Canada, the New York Agency is in close touch with every phase of Commercial and Financial activity in the Dominion and is well equipped to assist and serve corporations, firms and individuals interested in Canada.

THE CANADIAN BANK OF COMMERCE

HEAD OFFICE . . . TORONTO, CANADA

S. H. LOGAN, President

A. E. ARSCOTT, Executive Vice President

S. M. WEDD, General Manager

NEW YORK AGENCY: Exchange Place and Hanover Street

Agents: C. J. STEPHENSON — E. H. MITCHELL



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Manned by officials with years of experience, our Correspondent Bank Division renders a complete service, conducted in an intimate and personalized manner.

The guiding policy is one of cooperation in all matters of mutual interest.

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BANK AND TRUST
COMPANY OF NEW YORK
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Association, Federal Deposit Insurance
Corporation



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126 years experience of all phases of development in Australasia enable this Bank to offer the most comprehensive service to traders, investors and travellers

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NEW SOUTH WALES

General Manager:
SIR ALFRED C. DAVIDSON, K.B.E.

London Offices:

29, Threadneedle Street, E.C. 3.
47, Berkeley Square, W. 1.

Agency arrangements with Banks
throughout the World

(Incorporated in New South Wales with
Limited Liability.)

Why Banks Are "Locally Needed"

(CONTINUED FROM PAGE 24)

from 3 to 6 P. M., on Fridays, thereby enabling thousands of war workers to cash their pay checks and transact their banking business.

PERSONNEL STATISTICS:

Full-time Workers	Male	Female
Jan. 2, 1941	1,603 (68.7%)	729 (31.3%)
Jan. 2, 1942	1,595 (60.7%)	1,031 (39.3%)
Jan. 2, 1943	1,223 (42.8%)	1,632 (57.2%)
Sept. 30, 1943	1,042 (41.2%)	1,487 (58.8%)

Part-time Workers		
Jan. 2, 1941	63	46
Jan. 2, 1942	88	45
Jan. 2, 1943	102	167
Sept. 30, 1943	97	293

The above figures indicate total bank staffs of full time workers being substantially less efficient than in prior years.

The ratio of men to women in September 1943 was almost reversed against January 1941. The large majority of women replacing the men are not experienced and, consequently, are limited in their ability to perform a large part of the daily work. This condition and the increased activity pictured by the attached charts set forth the serious problem that the banks are facing.

THE loss of employees at the present rate and a tightening of the labor market will soon make continued operation of the local branch banking system very difficult. The chart headed "Detroit Clearing House Association—Additions, Separations and Total Full Time Staff" shows the total number of full time employees separated each month and likewise the total number of new full time employees employed during each calendar month. The majority of the new employees must receive training to take the place of those already left or who may be expected to leave in the future. The annual turnover rate has increased from the nominal figure of 12.4 per cent in November 1941 to 75 per cent in September 1943. The high point of annual turnover in the last two years and nine months was reached during the month of September 1942, when it was at the annual rate of 84.8 per cent.



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... in Peace or War...
always at the forefront
of Banking Service in
Baltimore since 1894

**MARYLAND
TRUST COMPANY**
BALTIMORE

HEYWARD E. BOYCE, President

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Everyday all
over America

*Parsons
Paper*
*Specialized for
Modern Business*

— is stepping up production. Faster and better paper work is being turned out because these quality papers increase clerical efficiency.

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Who's the new man working for the FIRST NATIONAL?



HE'S not a regular member of the bank personnel, he isn't on the payroll, and really doesn't have a desk at the bank . . . he's the Purina Dealer . . . a man who can help the Banker in the community build a profitable farm credit business and help keep more of the local financing business at home.

Purina Mills believes that much can be accomplished through the cooperation of the local Purina Dealer and the Banker in his town. Each has information which will benefit the other—and the community. The Purina dealer has the closest personal

contact with many of the best farmers in the area, knows those who are doing the best job from a feeding and management standpoint, has a practical working picture of the farmers' operations, knows when they are going to expand, buy new machinery, start a new feeding operation.

If you don't know your Purina dealer—give him a call. Purina is urging him to become better acquainted with you . . . so why not get together.

PURINA MILLS, St. Louis 2, Mo.

COMMUNITY BUILDERS



DEDICATED TO THE BUILDING OF THE AGRICULTURAL COMMUNITY

THE CONDITION OF BUSINESS

By WILLIAM R. KUHN

THE OUTLOOK. Among the many famous questions of the day in need of a businesslike answer is just how to advertise the sale of War Bonds. With all the thought bestowed on the question and the experience that we have had with it in recent years it would seem as though we could have reached some conclusion, but far from it.

The patriotic motive for buying War Bonds is paramount and assumed but the answer nobody knows is—should the public be urged to buy bonds as a means of saving money for post-Hitler purchases or is this a dangerous idea? Would it lead to wholesale War Bond redemptions as soon as the war seems about to end?

The question is far from academic. It is in fact the subject of innumerable cross-table discussions and the source of some headaches on the part of those concerned with present day advertising.

It is impossible to get an authoritative answer from any direction. The Treasury itself, in much of its suggested sales material, has wavered on the matter. It has sponsored War Bond promotion which advises the purchase of bonds in order to have money after the war for building a new barn, painting the house and purchasing farm equipment.

Almost But Not Quite

As long as the question remains unanswered the general effect is to take some of the punch out of current advertising. The result is that most advertising featuring post-war purchases and War Bonds approaches to the very edge of the question, then backs away.

One simple example will be enough to indicate the complex character of the problem. Let us say a company making war goods today and planning to manufacture air conditioning units for private dwellings after the war advertises along this line: (1) What the concern is doing for the war, (2) what it expects to do afterward in peacetime production and (3) why War Bonds must be bought to support the war.

When it comes to this last point there is often a tendency to imply that the money put in War Bonds will be available once the war is over for the purchase of this peacetime production just mentioned. As a rule, however, the argument stops just short of saying it and is hedged so carefully at this juncture that it loses some of its force.

Not Much Choice

Obviously it would be unwise to build up through advertising and other means the prospect of a bond redemption rush or a "run" on the Treasury at the end of the war.

On the other hand it is extremely important to build

up a powerful latent demand for peacetime goods which must make itself felt immediately when war orders slacken. Certainly if the public is not in a frame of mind to want houses, automobiles and all the post-Hitler goods that will be available, there will be trouble. Also the public must have the money to pay for these things and logically they will start digging out their War Bonds unless some other way can be found to provide extra funds.

There have been many suggestions looking toward a solution. One is that a national advertising campaign be planned under the aegis of the Treasury for the period roughly corresponding to the termination of hostilities. This would urge people to hold their bonds.

However, unless this effort could be accompanied by some suggestion of an alternative, that is to say, a source where they could obtain money for post-war purchases, it would simply be a case of urging people not to spend. This would be not only harmful, but, all things considered, is well beyond the range of possibility. If people want to buy and need money, they will spend their bonds and no amount of persuasion will prevent large-scale redemptions.

Consumer Credit

Another answer which has possibilities but still falls short of filling the bill lies in the vast machinery of consumer credit. However from a practical standpoint the assumption that people can be persuaded to hold their bonds and pay a lending institution more interest than they receive from the Government seems made of rather flimsy stuff. Perhaps a certain number would harken to the patriotic motives involved but at best the whole thing would be a process doubtful of success.

Another possibility being urged by at least one nationally known manufacturing concern is to make the bonds available as collateral for loans. There could be devised some method of restricting the purposes for which such loans could be made and thus guide the money into useful channels.

A borrower with a bond having several years to run might borrow an amount ranging anywhere from the current cash surrender to the full value at maturity, provided there were some means of actually assigning the bond to the lender.

War Bonds, of course, are not the only potential source of post-war purchasing power. Savings deposits and currency hoards are both at record levels but to a large extent these great reservoirs of funds belong to persons on the thrifty side, not too much given to spending. The chances are that the funds represented by War Bonds, particularly in the smaller denominations, are a volatile type of money and should be handled as such.

